

CHARTER TOWNSHIP OF YPSILANTI  
Washtenaw County, Michigan

AUDITED FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2004

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>Charter Township of Ypsilanti</b>	County <b>Washtenaw</b>
Audit Date <b>12/31/04</b>	Opinion Date <b>3/23/05</b>	Date Accountant Report Submitted to State: <b>5/20/05</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Post, Smythe, Lutz, and Ziel, CPA's, LLP</b>			
Street Address <b>1034 West Ann Arbor Trail</b>		City <b>Plymouth</b>	State <b>MI</b>
Accountant Signature <i>David R. Willman</i> CPA		ZIP <b>48170</b>	Date <b>5/20/04</b>

CHARTER TOWNSHIP OF YPSILANTI  
For the Year Ended December 31, 2004

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FINANCIAL SECTION

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### Independent Auditor's Report

March 23, 2005

To the Board of Trustees  
Charter Township of Ypsilanti  
Ypsilanti, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Ypsilanti, Michigan as of and for the year ended December 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Ypsilanti's management. Our responsibility is to express opinions on these financial statements based on our audit.


We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Ypsilanti as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the defined benefit pension plans trend information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Ypsilanti's basic financial statements. The accompanying other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully,



POST, SMYTHE, LUTZ and ZIEL LLP  
Certified Public Accountants



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"Placing Residents First"

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## **Management's Discussion and Analysis**

As management of Charter Township of Ypsilanti, we offer readers of Charter Township of Ypsilanti's financial statements this narrative overview and analysis of the financial activities of Charter Township of Ypsilanti for the fiscal year ended December 31, 2004.

### **Financial Highlights**

- The assets of Charter Township of Ypsilanti exceeded its liabilities at the close of the most recent fiscal year by \$37,305,576 (*net assets*). Of this amount, \$12,561,214 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Charter Township of Ypsilanti's governmental funds reported combined ending fund balances of \$12,329,936 a decrease of \$1,595,115 in comparison with the prior year. Approximately 94 percent of this amount, \$11,637,668 is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, the general fund had an unreserved fund balance of \$4,788,804 to meet future obligations.
- Charter Township of Ypsilanti's total debt decreased by \$2,199,860 (17 percent) during the current fiscal year. This is primarily due to increased developer deposits held for infrastructure improvements and payments on long term debt.
- General Fund reported \$1,130,840 of expenditures and transfers out in excess of revenues.
- State Shared Revenue for the current year is \$4,483,332 compared to \$4,887,276 for the prior year, for a decrease of \$403,944 for the General Fund. In the current year, State Shared Revenue represents 48 percent of the total revenue available for the General Fund and 51 percent in the prior year. State shared revenues have decreased for four consecutive fiscal years and the state is planning additional decreases for the 2005 fiscal year.
- Property Tax revenues are \$13,506,146. The increase of \$1,035,437 (8 percent) is largely attributable to higher taxable property values.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Charter Township of Ypsilanti's basic financial statements. Charter Township of Ypsilanti's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of Charter Township of Ypsilanti's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Charter Township of Ypsilanti's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Charter Township of Ypsilanti is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Charter Township of Ypsilanti that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Charter Township of Ypsilanti include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of Charter Township of Ypsilanti include the Golf Course.

The government-wide financial statements include not only Charter Township of Ypsilanti itself (known as the *primary government*), but also the Ypsilanti Township Economic Development Authority which is a separate legal entity for which Charter Township of Ypsilanti is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government.

The Township participates in a joint venture with the City of Ypsilanti known as the Ypsilanti Community Utilities Authority. The Authority issues bonds that are backed by the full faith and credit (subject to constitutional limitations) of the City or the Township. The Authority provides water and sewer services to residents of the City, Township and other entities and is a separate legal entity with its own financial obligations and independent reporting. There is no expectation that the Township will pay the Authority's financial obligations and therefore the Authority is not included as part of the Township's financial statements.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Charter Township of Ypsilanti, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Charter Township of Ypsilanti can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Charter Township of Ypsilanti maintains 15 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, fire, environmental services, law enforcement, public improvement all of which are considered to be major funds. Data from the other 10 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

A budgetary comparison statement has been provided for the major funds, the general fund, fire department fund, environmental services fund, and the law enforcement fund, to demonstrate compliance with their annual appropriated budgets.

**Proprietary funds.** Charter Township of Ypsilanti maintains a single proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Charter Township of Ypsilanti uses an enterprise fund to account for its Golf Course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Charter Township of Ypsilanti's various functions. Charter Township of Ypsilanti uses internal service funds to account for its fleet of vehicles and its composting activities. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Golf Course, which is not considered to be a major fund of Charter Township of Ypsilanti.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Charter Township of Ypsilanti's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Charter Township of Ypsilanti's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 50-51 of this report.

The combining statements referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 52-64 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Charter Township of Ypsilanti, assets exceeded liabilities by \$37,305,576 at the close of the most recent fiscal year.

By far the largest portion of Charter Township of Ypsilanti's net assets (65 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Charter Township of Ypsilanti used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Charter Township of Ypsilanti's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Charter Township of Ypsilanti's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and Other Assets	\$ 17,609,125	\$ 20,628,992	\$ 158,056	\$ 115,701	\$ 17,767,181	\$ 20,744,693
Capital Assets	27,995,291	24,328,212	2,180,488	2,295,119	30,175,779	26,623,331
Total Assets	45,604,416	44,957,204	2,338,544	2,410,820	47,942,960	47,368,024
Long-term Liabilities						
Outstanding	6,095,305	6,717,272	32,529	23,240	6,127,834	6,740,512
Other Liabilities	4,455,090	6,012,721	54,460	84,011	4,509,550	6,096,732
Total Liabilities	10,550,395	12,729,993	86,989	107,251	10,637,384	12,837,244
Net Assets:						
Invested in Capital Assets, net of						
related debt	21,899,986	19,369,974	2,155,738	2,247,129	24,055,724	21,617,103
Restricted	692,268	652,601	-	-	692,268	652,601
Unrestricted	12,461,767	12,204,636	95,817	56,440	12,557,584	12,261,076
Total Net Assets	\$ 35,054,021	\$ 32,227,211	\$ 2,251,555	\$ 2,303,569	\$ 37,305,576	\$ 34,530,780

An additional portion of Charter Township of Ypsilanti's net assets \$692,268 (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$12,461,767) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Charter Township of Ypsilanti is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net assets increased by \$2,774,796 during the current fiscal year. This increase represents the degree to which current revenues exceed ongoing expenditures.

**Governmental Activities.** Governmental activities increased Charter Township of Ypsilanti's net assets by \$2,826,810:

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Program Revenues:						
Charges for Services	\$ 5,593,299	\$ 5,009,448	\$ 768,613	\$ 730,578	\$ 6,361,912	\$ 5,740,026
Operating Grants & Contributions	146,432	14,954	-	-	146,432	14,954
Capital Grants & Contributions	329,300	-	-	122,571	329,300	122,571
General Revenues:						
Property Taxes	13,506,146	12,470,709	-	-	13,506,146	12,470,709
State Shared Revenues	4,483,332	4,948,468	-	-	4,483,332	4,948,468
Unrestricted Investment Earnings	256,662	148,079	1,678	896	258,340	148,975
Other	-	4,491	-	2,750	-	7,241
Total Revenues	24,315,171	22,596,149	770,291	856,795	25,085,462	23,452,944
Program Expenses						
General Government	5,689,874	5,392,803	-	-	5,689,874	5,392,803
Public Safety	9,804,972	9,018,880	-	-	9,804,972	9,018,880
Planning	29,279	26,810	-	-	29,279	26,810
Public Works	2,836,580	2,958,869	-	-	2,836,580	2,958,869
Recreation and Culture	1,930,409	1,907,357	-	-	1,930,409	1,907,357
Other	987,427	909,158	-	-	987,427	909,158
Interest on Long-Term Debt	209,820	235,613	-	-	209,820	235,613
Golf Course	-	-	822,305	830,404	822,305	830,404
Total Expenses	21,488,361	20,449,490	822,305	830,404	22,310,666	21,279,894
Change in Net Assets	\$ 2,826,810	\$ 2,146,659	\$ (52,014)	\$ 26,391	\$ 2,774,796	\$ 2,173,050

#### Significant Factors:

- Property Tax revenues increased \$1,035,437 to \$13,506,146 for the current period. This increase is largely attributable to higher taxable property values.
- State Shared Revenue is \$4,483,332 for the current period, a net reduction of \$403,944.
- Township roads expenditures increased \$1,582,622 to \$1,657,676 primarily due to improvements and overlays of subdivision roads.
- Renovation of the Textile Road Fire Station is \$800,980 for 2004 compared to \$101,243 in the prior period.
- Sidewalks and Bike Path expenditures increased \$811,576, from \$80,023 in 2003 to \$891,599 for the current period. This increase represents \$444,714 for the McCartney Bike Path and \$439,184 for current sidewalk/bike path repairs.
- Revenues for Grants and Contributions total \$475,732 for the current period compared to \$14,954 in 2003.

**Business-type Activities.** This represents the municipal-owned Green Oaks Golf Course. Business-type activities decreased Charter Township of Ypsilanti's net assets by \$52,014. Key elements of this decrease are as follows:

- Revenue increased 5%.
- Operating expenditures decreased \$8,099.

# Financial Analysis of the Government's Funds

As noted earlier, Charter Township of Ypsilanti used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Charter Township of Ypsilanti's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Charter Township of Ypsilanti's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Charter Township of Ypsilanti's governmental funds reported combined ending fund balances of \$12,329,936, a decrease of \$1,595,115 in comparison with the prior year. 94 percent of this total amount (\$11,637,668) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been 1) committed contractually (\$300,000) and 2) committed to pay debt service of the next period (\$392,268).

The general fund is the chief operating fund of Charter Township of Ypsilanti. At the end of the current fiscal year, unreserved fund balance of the general fund was \$4,788,804, while total fund balance is \$5,088,804. As a measure of the general funds' liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 46 percent of total general fund expenditures, while total fund balance represents 49 percent of that same amount.

The fund balance of the Charter Township of Ypsilanti's general fund decreased by \$1,130,840 during the current fiscal year. Key factors in this increase are as follows:

- Township roads expenditures increased \$1,580,075 to \$1,657,676 primarily due to improvements and overlays of subdivision roads.
- State Shared Revenue is \$4,483,332 for the current period, a net reduction of \$403,944. State Shared Revenues have decreased for four consecutive fiscal years.
- Management held spending in anticipation of revenue cuts. The current period general fund expenditures were \$696,073 less than current period budget.

**Proprietary funds.** Charter Township of Ypsilanti's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Golf Course Fund at the end of the year amounted to \$95,817; net assets decrease by \$52,014. Other factors concerning the finances of this fund have already been addressed in the discussion of Charter Township of Ypsilanti's business-type activities.

## General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$1,946,500, shown as a net decrease in appropriations. They are summarized as follows:

- Increase of \$1,425,000 for Highways and Streets, net including overlays and drain costs.
- Increase of \$150,000 for Transfers to Public Improvement 90,000 and Hydro \$60,000.
- Increase of \$100,000 for Tax Appeals
- Increase of \$61,800 for Salaries and Fringes-staff replacements
- Increase of \$52,000 for tree removal.
- Increase of \$50,000 for Office equipment.
- Increase of \$40,000 in Community Development due to increased production.
- Increase of \$38,000 for Civic Center building and pond maintenance.
- Increase of \$16,500 for Other Functions.
- Increase of \$13,200 for Parks and Grounds, net of salaries, benefits, supplies and utilities.

State law required a financial budget be approved and adopted by the Board by October 2003. Consequently, the increase of appropriations required an amendment to the original budget.

## **Capital Asset and Debt Administration**

**Capital assets.** Charter Township of Ypsilanti's investment in capital assets for its governmental and business type activities as of December 31, 2004, amounts to \$30,175,779 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and roads and streets. New assets total \$5,264,871 with depreciation expense of \$1,712,423 for a net increase of \$3,552,448 (13 percent).

Major capital asset events during the current fiscal year included the following:

- Road Improvements \$1,657,676
- Textile Road Fire Station Renovation \$800,981
- Ford Heritage Park Renovation \$524,740
- McCartney Road Bike Path \$444,714
- Sidewalk improvements \$349,314
- Bike Path Improvements \$288,071
- Computer Equipment and Software \$168,534
- Clubview Park renovation \$127,781
- Hydro Station refurbishing \$140,726
- Civic Center Parking lot overlay \$119,323
- Heavy Equipment \$109,099
- Office Furniture and Equipment \$76,327
- Fire Engine refurbishing \$73,721
- Ford Lake Park land improvements \$65,411
- Vehicles \$50,915

**Long-term debt.** At the end of the current fiscal year, Charter Township of Ypsilanti had long term indebtedness of \$6,127,834. This represents \$2,400,000 of contracts payable, \$1,524,325 of installment loans payable, \$1,868,509 of compensated absences and \$335,000 of general obligation debt. All of Charter Township of Ypsilanti's debt represents general obligation debt backed by the full faith and credit of Charter Township of Ypsilanti.



Additional information on Charter Township of Ypsilanti's long-term debt can be found in Note IV.D. on pages 37-38 of this report.

## Economic Factors and Next Year's Budgets and Rates

The unemployment rate is still high in the State of Michigan and the State's shortfall in the budget means further reductions in state shared revenues. State shared revenues are expected to decrease again in the 2005 fiscal year. Charter Township of Ypsilanti budgeted for a decrease in state shared revenue, but additional cuts have already been made (an additional \$170,000 reduction to Ypsilanti) and more cuts are expected before the end of the fiscal year. The original budget expected a reduced mileage rate due to the Headlee Amendment rollback. These factors were considered in preparing Charter Township of Ypsilanti's budget for the 2005 fiscal year.

New 2005 millages were approved by the voters in February 2005 for the 2006 fiscal year, representing a shift of millages between funds and debt. Consideration was given to maintaining current millage rates for our property owners as well as the financial positions of the millage funds. The Police Fund was increased due to higher costs for police services contracted with Washtenaw County. The Bike Path, Sidewalk and Recreation millage was increased and the purpose modified to Recreation, Bike Path, Sidewalk, Roads, Parks and General Operations.

	2004 Actual Millage	2005 Millage before Headlee	2005 (anticipated) Millage after Headlee
<u>Operating Millages</u>			
Fire	3.2544	2.8000	2.7930
Police	3.2544	3.5000	3.4912
Solid Waste	1.6272	1.6800	1.6758
Bikepath/Sidewalk	0.4931	1.0059	1.0033
General Fund	1.0348	1.0348	1.0322
Total Operating:	<u>9.6639</u>	<u>10.0207</u>	<u>9.9955</u>
<u>Debt Millages</u>			
Fire Pension	0.4000	0.4000	0.4000
Sewer Debt	0.4700	0.0000	0.0000
Total Debt:	<u>0.8700</u>	<u>0.4000</u>	<u>0.4000</u>
Total Millages:	<u>10.5339</u>	<u>10.4207</u>	<u>10.3955</u>

## Requests for Information

This financial report is designed to provide a general overview of Charter Township of Ypsilanti's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Supervisor, 7200 South Huron River Drive, Ypsilanti, Michigan 48197

BASIC FINANCIAL STATEMENTS

**CHARTER TOWNSHIP OF YPSILANTI****Statement of Net Assets****December 31, 2004**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 14,539,332	\$ 143,256	\$ 14,682,588	\$ 58,503
Receivables (net of allowance for uncollectibles):				
Taxes	2,231	-	2,231	-
Accounts	1,400,436	-	1,400,436	-
Special Assessments	787,625	-	787,625	-
Due from Other Governmental Units	401,266	-	401,266	-
Due from Other Funds	31,184	-	31,184	-
Inventory	18,324	10,873	29,197	-
Prepaid Expenditures	428,727	3,927	432,654	-
Capital Assets (Net of Accumulated Depreciation)	27,995,291	2,180,488	30,175,779	-
Total Assets	<u>45,604,416</u>	<u>2,338,544</u>	<u>47,942,960</u>	<u>58,503</u>
<b>LIABILITIES</b>				
Accounts Payable	1,660,198	20,512	1,680,710	-
Accrued Liabilities	2,368,129	2,764	2,370,893	-
Due to Other Funds	-	31,184	31,184	-
Deferred Revenue	426,763	-	426,763	-
Noncurrent Liabilities:				
Due within one year	721,190	24,750	745,940	-
Due in more than one year	5,374,115	7,779	5,381,894	-
Total Liabilities	<u>10,550,395</u>	<u>86,989</u>	<u>10,637,384</u>	<u>-</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, net of related debt	21,899,986	2,155,738	24,055,724	-
Restricted for:				
Capital Projects	300,000	-	300,000	-
Debt Service	392,268	-	392,268	-
Unrestricted	12,461,767	95,817	12,557,584	58,503
Total Net Assets	<u>\$ 35,054,021</u>	<u>\$ 2,251,555</u>	<u>\$ 37,305,576</u>	<u>\$ 58,503</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**Statement of Activities**  
**For the Year Ended December 31, 2004**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 5,689,874	\$ 3,037,327	\$ 89,888	\$ -
Public Safety	9,804,972	1,494,510	29,149	-
Planning & Zoning	29,279	-	-	-
Public Works	2,836,580	467,327	27,395	329,300
Recreation and Cultural	1,930,409	374,135	-	-
Other	987,427	-	-	-
Interest on Long-Term Debt	209,820	220,000	-	-
Total Governmental Activities	<u>21,488,361</u>	<u>5,593,299</u>	<u>146,432</u>	<u>329,300</u>
Business-type Activities:				
Golf Course	<u>822,305</u>	<u>768,613</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>822,305</u>	<u>768,613</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>22,310,666</u>	<u>6,361,912</u>	<u>146,432</u>	<u>329,300</u>
Component Units	\$ -	\$ -	\$ -	\$ -

General Revenues:  
Property Taxes  
State Shared Revenue  
Unrestricted Investment Earnings  
Total General Revenues and Transfers

Change in Net Assets  
Net Assets - Beginning

Net Assets - Ending

**Net (Expense) Revenue and Changes in Net Assets**

**Primary Government**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Unit</u>
\$ (2,562,659)	\$ -	\$ (2,562,659)	\$ -
(8,281,313)	-	(8,281,313)	-
(29,279)	-	(29,279)	-
(2,012,558)	-	(2,012,558)	-
(1,556,274)	-	(1,556,274)	-
(987,427)	-	(987,427)	-
10,180	-	10,180	-
<u>(15,419,330)</u>	<u>-</u>	<u>(15,419,330)</u>	<u>-</u>
<u>-</u>	<u>(53,692)</u>	<u>(53,692)</u>	<u>-</u>
<u>-</u>	<u>(53,692)</u>	<u>(53,692)</u>	<u>-</u>
<u>(15,419,330)</u>	<u>(53,692)</u>	<u>(15,473,022)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
13,506,146	-	13,506,146	-
4,483,332	-	4,483,332	-
256,662	1,678	258,340	526
<u>18,246,140</u>	<u>1,678</u>	<u>18,247,818</u>	<u>526</u>
2,826,810	(52,014)	2,774,796	526
<u>32,227,211</u>	<u>2,303,569</u>	<u>34,530,780</u>	<u>57,977</u>
<u>\$ 35,054,021</u>	<u>\$ 2,251,555</u>	<u>\$ 37,305,576</u>	<u>\$ 58,503</u>

**CHARTER TOWNSHIP OF YPSILANTI**

**Balance Sheet  
Governmental Funds  
December 31, 2004**

	<u>General</u>	<u>Fire Department Fund</u>	<u>Environmental Services Fund</u>	<u>Law Enforcement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 4,771,992	\$ 2,457,095	\$ 2,144,200	\$ 539,335	\$ 3,821,196	\$ 13,733,818
Receivables (net of allowance for uncollectibles):						
Taxes	316	690	345	689	191	2,231
Accounts	1,381,393	374	7,998	-	825	1,390,590
Special Assessments	787,625	-	-	-	-	787,625
Due from Other Funds	238,641	-	321	-	120,015	358,977
Due from Other Governmental Units	-	-	-	71,130	330,136	401,266
Prepaid Expenditures	381,210	35,472	3,184	3,056	4,050	426,972
Total Assets	\$ <u>7,561,177</u>	\$ <u>2,493,631</u>	\$ <u>2,156,048</u>	\$ <u>614,210</u>	\$ <u>4,276,413</u>	\$ <u>17,101,479</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities:						
Accounts Payable	\$ 584,231	\$ 134,651	\$ 149,283	\$ 137,570	\$ 624,553	\$ 1,630,288
Accrued and Other Liabilities	1,356,785	309,210	111,907	207,927	380,316	2,366,145
Due to Other Funds	104,594	70,904	9,076	11,905	151,868	348,347
Deferred Revenue	426,763	-	-	-	-	426,763
Total Liabilities	<u>2,472,373</u>	<u>514,765</u>	<u>270,266</u>	<u>357,402</u>	<u>1,156,737</u>	<u>4,771,543</u>
Fund Balances:						
Reserved for:						
Debt Service	-	-	-	-	392,268	392,268
Capital Projects	300,000	-	-	-	-	300,000
Unreserved for:						
General Fund	4,788,804	-	-	-	-	4,788,804
Special Revenue Funds	-	1,978,866	1,885,782	256,808	2,727,408	6,848,864
Total Fund Balances	<u>5,088,804</u>	<u>1,978,866</u>	<u>1,885,782</u>	<u>256,808</u>	<u>3,119,676</u>	<u>12,329,936</u>
Total Liabilities and Fund Balances	\$ <u>7,561,177</u>	\$ <u>2,493,631</u>	\$ <u>2,156,048</u>	\$ <u>614,210</u>	\$ <u>4,276,413</u>	

Amounts reported for governmental activities in the statement of net assets  
are difference because:

Capital Assets used in governmental activities are not financial resources and,  
therefore, are not reported in the funds.

27,577,517

Internal Service Funds are used by management to charge the costs of motor  
pool to individual funds. The assets and liabilities of the internal service  
funds are included in governmental activities in the statement of net assets.

1,241,873

Long-term liabilities, including bonds payable, are not due and payable in the  
current period and therefore are not reported in the funds.

(6,095,305)

Net Assets of Governmental Activities

\$ 35,054,021

**CHARTER TOWNSHIP OF YPSILANTI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2004**

	General	Fire Department Fund	Environmental Services Fund	Law Enforcement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property Taxes	\$ 1,447,087	\$ 4,345,804	\$ 2,172,339	\$ 4,345,804	\$ 1,261,052	\$ 13,572,086
Licenses and Permits	18,208	-	-	-	1,586,443	1,604,651
Intergovernmental:						
Federal, State and Local	4,510,283	2,301	-	16,848	329,300	4,858,732
Charges for Services	2,788,238	-	37,483	-	331,593	3,157,314
Interest and Rent	85,867	49,519	42,710	12,894	156,731	347,721
Other	577,731	12,164	54,406	1,941	128,425	774,667
Total Revenues	<u>9,427,414</u>	<u>4,409,788</u>	<u>2,306,938</u>	<u>4,377,487</u>	<u>3,793,544</u>	<u>24,315,171</u>
<b>Expenditures</b>						
Current:						
General Government	5,274,018	-	-	-	802	5,274,820
Public Safety	245,804	3,512,923	-	4,286,496	1,364,180	9,409,403
Planning and Zoning	29,279	-	-	-	-	29,279
Public Works	1,769,515	-	2,188,723	-	276,841	4,235,079
Recreation and Cultural	1,550,154	-	-	-	8,561	1,558,715
Other	812,709	-	-	-	174,718	987,427
Debt Service:						
Principal	430,000	117,508	-	-	176,155	723,663
Interest and Other Charges	170,995	18,052	-	-	20,773	209,820
Capital Outlay	185,780	930,873	60,525	1,272	2,303,630	3,482,080
Total Expenditures	<u>10,468,254</u>	<u>4,579,356</u>	<u>2,249,248</u>	<u>4,287,768</u>	<u>4,325,660</u>	<u>25,910,286</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,040,840)</u>	<u>(169,568)</u>	<u>57,690</u>	<u>89,719</u>	<u>(532,116)</u>	<u>(1,595,115)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	-	-	146,000	146,000
Transfers Out	(90,000)	-	-	-	(56,000)	(146,000)
Total Other Financing Sources and Uses	<u>(90,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>-</u>
Net Change in Fund Balances	(1,130,840)	(169,568)	57,690	89,719	(442,116)	(1,595,115)
Fund Balances - Beginning	6,219,644	2,148,434	1,828,092	167,089	3,561,792	13,925,051
Fund Balances - Ending	<u>\$ 5,088,804</u>	<u>\$ 1,978,866</u>	<u>\$ 1,885,782</u>	<u>\$ 256,808</u>	<u>\$ 3,119,676</u>	<u>\$ 12,329,936</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2004**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ (1,595,115)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

3,640,644

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

621,967

Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

159,314

Change in net assets in governmental activities \$ 2,826,810



**CHARTER TOWNSHIP OF YPSILANTI**

**Balance Sheet**  
**Proprietary Funds**  
**December 31, 2004**

	<b>Business Type Activity Enterprise Fund  Golf Course</b>	<b>Governmental Activities - Internal Service Funds</b>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and Cash Equivalents	\$ 143,256	\$ 805,514
Accounts Receivable	-	9,846
Due From Other Funds	-	21,106
Inventory	10,873	18,324
Prepaid Expense	3,927	1,755
Total Current Assets	<u>158,056</u>	<u>856,545</u>
Property, Plant and Equipment:		
Course and Improvements	2,007,069	-
Building Improvements	743,088	55,449
Machinery, Equipment and Vehicles	500,162	926,917
Less: Accumulated Depreciation	<u>(1,069,831)</u>	<u>(564,592)</u>
Net Property, Plant and Equipment	<u>2,180,488</u>	<u>417,774</u>
Total Assets	\$ <u>2,338,544</u>	\$ <u>1,274,319</u>
<b><u>LIABILITIES AND EQUITY</u></b>		
Current Liabilities:		
Accounts Payable	\$ 20,512	\$ 29,910
Due to Other Funds	31,184	552
Accrued Liabilities	2,764	1,984
Leases Payable	24,750	-
Total Current Liabilities	<u>79,210</u>	<u>32,446</u>
Long-Term Liabilities:		
Compensated Absences	7,779	-
Total Long-Term Liabilities	<u>7,779</u>	<u>-</u>
Equity:		
Invested in Capital Assets, Net of Related Debt	2,155,738	417,774
Unrestricted	95,817	824,099
Total Equity	<u>2,251,555</u>	<u>1,241,873</u>
Total Liabilities and Equity	\$ <u>2,338,544</u>	\$ <u>1,274,319</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**Statement of Revenues, Expenses and Changes In Fund Equity**  
**Proprietary Funds**  
**For the Year Ended December 31, 2004**

	<b>Business Type Activity Enterprise Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Golf Course</b>	
<b><u>Operating Revenues:</u></b>		
Charges for Services	\$ 766,786	\$ 628,559
Other Income	1,827	-
Total Operating Revenues	<u>768,613</u>	<u>628,559</u>
<b><u>Operating Expenses:</u></b>		
Cost of Sales	99,813	130,801
Personal Services	402,044	135,842
Supplies, Repairs, Insurance and Other Expenses	205,817	100,272
Benefits and Administrative	-	11,323
Depreciation	114,631	98,680
Total Operating Expenses	<u>822,305</u>	<u>476,918</u>
 Operating Income (Loss)	 <u>(53,692)</u>	 <u>151,641</u>
<b><u>Non-Operating Revenues (Expenses):</u></b>		
Gain on Asset Sales	-	650
Interest Earned	1,678	7,023
Total Non-Operating Revenues (Expenses)	<u>1,678</u>	<u>7,673</u>
 Net Income (Loss)	 (52,014)	 159,314
 Fund Equity, Beginning	 <u>2,303,569</u>	 <u>1,082,559</u>
 Fund Equity, Ending	 \$ <u>2,251,555</u>	 \$ <u>1,241,873</u>

**CHARTER TOWNSHIP OF YPSILANTI****Statement of Cash Flows****Proprietary Funds****For the Year December 31, 2004**

	Business Type Activity Enterprise Fund	Governmental Activities - Internal Service Funds
	Golf Course	
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Receipts from customers and users	\$ 768,613	\$ 633,038
Receipts from quasi-external transactions	-	-
Payments to suppliers	(305,688)	(163,739)
Payments to employees	(401,139)	(147,252)
Net Cash Provided by Operating Activities	61,786	322,047
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Purchases of Capital Assets	-	(125,115)
Principal Paid on Capital Debt	(23,240)	-
Proceeds from Sales of Capital Assets	-	650
Net Cash Provided (Used) by Capital and Related Financing Activities	(23,240)	(124,465)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Interest Earned	1,678	7,023
Net Increase (Decrease) in Cash and Cash Equivalents	40,224	204,605
Cash and Cash Equivalents, Beginning	103,032	600,909
Cash and Cash Equivalents, Ending	\$ 143,256	\$ 805,514
<b><u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u></b>		
Operating Income (Loss)	\$ (53,692)	\$ 151,641
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	114,631	98,680
(Increase) Decrease in Receivables	-	4,479
(Increase) Decrease in Due from Other Funds	-	53,699
(Increase) Decrease in Inventory	(3,119)	(7,475)
(Increase) Decrease in Prepaid	988	2,289
Increase (Decrease) in Accounts Payable	10,225	20,098
Increase (Decrease) in Accrued Liabilities	(1,490)	(87)
Increase (Decrease) in Due to Other Funds	(8,152)	(1,277)
Increase (Decrease) in Compensated Absences	2,395	-
Net Cash Provided by Operating Activities	\$ 61,786	\$ 322,047

**CHARTER TOWNSHIP OF YPSILANTI****Statement of Net Assets****Fiduciary Funds****December 31, 2004**

<u>ASSETS</u>	<u>Firefighter's Healthcare Trust Fund</u>	<u>Police and Firefighter's Pension Trust Fund</u>	<u>Officials Retirement Trust Fund</u>	<u>Agency Funds</u>
Cash	\$ 464,110	\$ 605,319	\$ -	\$ 12,436,738
Investments, at Fair Value:				
Bonds and Notes	-	7,295,378	537,060	-
Common Stock	-	16,026,849	-	-
Total Investments	-	23,322,227	537,060	-
Accrued Interest and Dividends	94	48,250	-	-
Total Assets	464,204	23,975,796	537,060	12,436,738
<u>LIABILITIES</u>				
Accounts Payable	375	41,018	-	-
Due to Other	-	-	-	12,436,738
Total Liabilities	375	41,018	-	12,436,738
Net Assets Held in Trust For Employees' Retirement Benefits	\$ 463,829	\$ 23,934,778	\$ 537,060	\$ -

**CHARTER TOWNSHIP OF YPSILANTI**  
**Statement of Changes in Net Assets**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2004**

	<b><u>Firefighter's Healthcare Trust Fund</u></b>	<b><u>Police and Firefighter's Pension Trust Fund</u></b>	<b><u>Officials Retirement Trust Fund</u></b>
<b><u>ADDITIONS</u></b>			
Investment Income:			
Earnings on Investments	\$ 2,630	\$ 749,122	\$ 21,569
Net Appreciation (Depreciation) in Fair Value of Investments	-	1,692,922	-
Contributions:			
Employer	428,849	-	54,483
Employee	<u>136,391</u>	<u>33,977</u>	<u>-</u>
Total Additions	<u>567,870</u>	<u>2,476,021</u>	<u>76,052</u>
 <b><u>DEDUCTIONS</u></b>			
Benefits Paid	-	967,718	35,326
Retirees Insurance	399,200	-	-
Administrative Costs	<u>8,400</u>	<u>159,958</u>	<u>-</u>
Total Deductions	<u>407,600</u>	<u>1,127,676</u>	<u>35,326</u>
 Net Increase (Decrease)	160,270	1,348,345	40,726
 Net Assets Held in Trust For Employee's Retirement Benefits:			
January 1	<u>303,559</u>	<u>22,586,433</u>	<u>496,334</u>
December 31	<u>\$ 463,829</u>	<u>\$ 23,934,778</u>	<u>\$ 537,060</u>

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Ypsilanti Township became a Charter Township on May 15, 1979 by Board resolution. The Township provides the following services as permitted by law: public safety (police and fire), community development, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Charter Township of Ypsilanti and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Township's operations and so data from these units is combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. Each blended and discretely presented component unit has a December 31, 2004 year end.

*Blended Component Units*

The Charter Township of Ypsilanti Municipal Building Authority is governed by a five (5) member Board appointed by the Township Board. Although it is legally separate from the Township, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the Township's public buildings.

*Discretely Presented Component Units*

The Charter Township of Ypsilanti Economic Development Corporation (EDC) is governed by a nine (9) member board appointed by the Township Board. The EDC was established to promote economic development within the Township.

The above component unit is discretely presented within the Township financial statements because it is legally separate and financially accountable to the Township. Financial accountability is demonstrated by the Township Commission making the appointments to the respective boards, approving the annual operating budgets and any amendments of each component unit and approving development and financing plans of the EDC.

*Joint Venture*

The Township is a participant in the Ypsilanti Community Utilities Authority (Y.C.U.A.) which was created under Act 233, P.A. of 1955 by the City of Ypsilanti and the Charter Township of Ypsilanti, in 1974. All activities necessary to provide water and sewer services to residents of the City, Township, and other

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity - Continued

*Joint Venture - Continued*

communities serviced by Y.C.U.A., are accounted for by the Authority. The Township has financial responsibility as follows:

- Township Board has the ability to reject or approve water rates for customers in its service district.
- Some obligations of the Authority are supported by pledges of the Township's full faith and credit, subject to constitutional limitations. These obligations are described in more detail further in these notes.
- Summarized financial information from the Authority's latest audited financial statements are presented below.

	<u>Fiscal Year Ended</u> <u>August 31, 2004</u>
Assets	\$ 257,467,761
Liabilities	<u>(82,355,897)</u>
Net Assets	<u>\$ 175,111,864</u>
Revenues	\$ 30,017,246
Operating Expenses	<u>(25,561,109)</u>
Operating Income	4,456,137
Non Operating Income	<u>343,260</u>
Net Income	4,799,397
Capital Contributions	<u>38,985,584</u>
Change in Net Assets	43,784,981
Net Assets Beginning of Year	<u>131,326,883</u>
Net Assets End of the Year	<u>\$ 175,111,864</u>

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Government-Wide and Fund Financial Statements - Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.



CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

Governmental Funds

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Department Fund is a special revenue fund used to account for the voter approved property taxes used to support fire protection, and related services

The Law Enforcement Fund is a special revenue fund used to account for the voter approved property taxes for law enforcement activities.

The Environmental Services Fund is a special revenue fund used to account for the voter approved property tax revenues used to support solid waste pick up, disposal, and recycling activities.

In addition, the Township reports on the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

The debt service funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Proprietary Fund

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include the following fund types:

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Township Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The Township's enterprise fund is the Golf Course Fund, which is reported as a non-major fund.

CHARTER TOWNSHIP OF YPSILANTI

Notes to Financial Statements

December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

Proprietary Fund - Continued

Internal Service Funds account for operations that provide services to other departments or agencies of the Township on a cost reimbursement basis. As these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental* activities in the government-wide financial statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector guidance.

Fiduciary Funds

Fiduciary Funds account for assets held by the government in a trustee capacity by the Township or as an agent on behalf of others. Fiduciary funds include the following fund types:

Pension Trust Funds – The pension trust funds accounts for the activities of the employee benefit plan that accumulates resources for pension and other post employment benefit payments to qualified employees.

The Agency Funds are used to account for assets that the government holds for others in an agency capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Township to invest in obligations of the U.S. Treasury, commercial paper of certain investment grades, and deposits of Michigan commercial banks.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of allowances for uncollectible accounts, which are recorded as follows:

	<u>Taxes</u> <u>Receivable</u>	<u>Accounts</u> <u>Receivable</u>
Total	\$ 235,932	\$1,400,436
Less Allowance for Doubtful Accounts	<u>(233,701)</u>	<u>-</u>
Net Realizable Value	<u>\$ 2,231</u>	<u>\$1,400,436</u>

3. Inventory

Inventories are valued at cost using the first-in/first out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Net Assets or Equity – Continued

4. Capital Assets - Continued

donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of capitalized value of the assets constructed.

5. Capital Assets

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-30
Equipment	5-20
Infrastructure	15-30

6. Compensated Absences

In accordance with contracts negotiated with the various employee groups of the Township, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured. The long-term portion of compensated absences related to the governmental funds is a liability recorded in the Statement of Net Assets. The total liability at December 31, 2004 is \$1,860,730.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Assets, Liabilities and Net Assets or Equity - Continued

7. Long-term Obligations - Continued

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Assets. Long-term liabilities expected to be financed from proprietary funds are reported as liabilities in those funds.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet And the Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$6,095,305 difference are as follows:

General Obligation Bonds and Contracts Payable	\$ 4,234,575
Compensated Absences Payable	<u>1,860,730</u>
	<u>\$ 6,095,305</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$3,640,644 difference are as follows:

Capital Outlay	\$5,139,756
Depreciation Expense	<u>(1,499,112)</u>
	<u>\$3,640,644</u>

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities - Continued

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$621,967 difference are as follows:

Principal Repayments	\$ 723,663
Compensated Absences	<u>(101,696)</u>
	<u>\$ 621,967</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Township is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (Uniform Budgeting Act). The following is a summary of the requirements of this act:

- a. Budgets must be adopted for the General and Special Revenue Funds.
- b. Budgets must be balanced.
- c. Budgets must be amended as necessary.
- d. Public hearings must be held prior to adoption.
- e. Expenditures cannot exceed budget appropriations.
- f. Expenditures must be authorized by a budget appropriation prior to being incurred.

The Township follows these procedures in establishing the budgetary data reflected in these financial statements:

1. In accordance with State law, prior to September 30, the Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year. Detail line item budgets are included for administrative control. The level of control for the detail budgets is at the departmental basis.
2. Public hearings are conducted in September and October to obtain taxpayer comment.

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

A. Budgetary Information - Continued

3. Prior to October 31, the budget is legally enacted through passage of a budget resolution (general appropriation act).
4. Formal budgetary integration is employed as a management control device for the General, Special Revenue and Debt Service Funds. Budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Proprietary Fund budgets are prepared on a non-GAAP method.
6. Budget appropriations lapse at year end.
7. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.
8. Budgeted amounts are reported as originally adopted, or as amended by the Township Board.

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

None of the funds have a deficit fund balance as of December 31, 2004.

2. Excess of Expenditures Over Appropriations in Budgetary Funds

None of the funds have expenditures in excess of appropriations.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Under State law, the Township is permitted to invest in deposits with Michigan commercial banks, savings and loans and credit unions, obligations of the U.S. Treasury, and corporate bonds and commercial paper with certain investment grades.

Deposits (cash and certificates of deposit) are carried at cost which approximates market value. The carrying amount of deposits are separately displayed on the balance sheets as "Cash and Cash Equivalents".

The carrying amount of the Township's deposits with financial institutions at December 31, 2004 was \$28,188,755 and the bank balance was \$28,821,293 categorized as follows:

	<u>Bank Balance</u>
Insured by F.D.I.C.	\$ 400,000
Uninsured and Uncollateralized	<u>28,421,293</u>
Total	<u>\$ 28,821,293</u>

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS - Continued

A. Deposits and Investments - Continued

A reconciliation of cash for the primary government follows:

Cash and Cash Equivalents per:	
Statement of Net Assets	\$ 14,682,588
Fire Fighters Health Care Fund	464,110
Police & Fire Fighters Pension Fund	605,319
Agency Funds	<u>12,436,738</u>
Total	<u>\$ 28,188,755</u>

At December 31, 2004 the carrying amount and bank balances of the component units of the Charter Township of Ypsilanti are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>FDIC Insured</u>
Economic Development Corporation	<u>\$ 58,503</u>	<u>\$ 58,503</u>	<u>\$ 58,503</u>

Investments at December 31, 2004 consisted of the following:

	<u>Category 2</u>	<u>Carrying Amount</u>	<u>Market Value</u>
1. Common Stocks and Debt Instruments held by Bank One for Police and Firemen's Pension Board (est. by P.A. 345)	\$23,322,227	\$23,322,227	\$23,322,227
2. Retirement Annuities held by Administrator (Manulife) for Officials' Retirement Plan	<u>537,060</u>	<u>537,060</u>	<u>537,060</u>
	<u>\$23,859,287</u>	<u>\$23,859,287</u>	<u>\$23,859,287</u>

Category 2 as defined by the Governmental Accounting Standards Board is: uninsured, unrequested, with securities held by the counterparty's trust department or agent in the Township's name.



CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets

Capital asset activity for the year ended December 31, 2004 was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, Not Depreciated:				
Land	<u>\$ 6,799,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,799,134</u>
Capital Assets, being depreciated:				
Building	10,082,537	885,063	-	10,967,600
Machinery and Equipment	4,477,120	429,430	-	4,906,550
Infrastructure	15,163,993	3,825,263	-	18,989,256
Internal Service Funds:				
Motor Pool	368,272	50,915	-	419,187
Compost	488,979	74,200	-	563,179
	<u>30,580,901</u>	<u>5,264,871</u>	<u>-</u>	<u>35,845,772</u>
Less: Accumulated Depreciation:				
Building	(3,730,781)	(353,014)	-	(4,083,795)
Machinery and Equipment	(2,445,138)	(410,142)	-	(2,855,280)
Infrastructure	(6,409,992)	(735,956)	-	(7,145,948)
Internal Service Funds:				
Motor Pool	(243,534)	(38,741)	-	(282,275)
Compost	(222,378)	(59,939)	-	(282,317)
	<u>(13,051,823)</u>	<u>(1,597,792)</u>	<u>-</u>	<u>(14,649,615)</u>
Governmental Activities Capital Assets, net	<u>\$24,328,212</u>	<u>\$3,667,079</u>	<u>\$ -</u>	<u>\$ 27,995,291</u>

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS - Continued

B. Capital Assets - Continued

<u>Business-type Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not depreciated:				
Land	<u>\$ 1,244,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,244,172</u>
Capital Assets, being depreciated:				
Building and Land Improvements	<u>1,521,549</u>	<u>-</u>	<u>(25,894)</u>	<u>1,495,655</u>
Machinery and Equipment	<u>517,595</u>	<u>-</u>	<u>(7,103)</u>	<u>510,492</u>
	<u>2,039,144</u>	<u>-</u>	<u>(32,997)</u>	<u>2,006,147</u>
Less: Accumulated Depreciation:				
Building and Land Improvements	<u>(633,973)</u>	<u>(68,662)</u>	<u>25,894</u>	<u>(676,741)</u>
Machinery and Equipment	<u>(354,224)</u>	<u>(45,969)</u>	<u>7,103</u>	<u>(393,090)</u>
	<u>(988,197)</u>	<u>(114,631)</u>	<u>32,997</u>	<u>(1,069,831)</u>
Governmental Activities Capital Assets, net	<u>\$ 2,295,119</u>	<u>\$ (114,631)</u>	<u>\$ -</u>	<u>\$ 2,180,488</u>

Depreciated expense was charged to functions/ programs of the primary government as follows:

General Government	\$ 427,471
Public Safety	281,456
Public Works	418,491
Recreation and Culture	371,694
Charged though internal service funds	<u>98,680</u>
	<u>\$ 1,597,792</u>

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS - Continued

C. Interfund Receivables, Payables and Transfers

1. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2004, is as follows:

<u>Receivable Fund</u>	<u>Payble Fund</u>	<u>Amount</u>
General Fund	Fire Fund	\$ 70,583
	Bike Path/Side Walk Fund	283
	Environmental Services Fund	7,509
	Building Department Fund	28,799
	Hydro Station Fund	77,400
	Law Enforcement Fund	11,498
	Golf Course Fund	31,083
	Public Improvement Fund	674
	State Grants Fund	10,000
	Compost Fund	552
	G O Debt Fund	260
State Grants Fund	Public Improvement Fund	30,000
Bike Path/Side Walk Fund	General Fund	8
General Obligation Debt Service	General Fund	7
Compost	Environmental Services Fund	210
Public Improvement Fund	General Fund	90,000
Environmental Services Fund	Fire Fund	321
Motor Pool	General Fund	14,579
	Environmental Services Fund	1,357
	Building Department Fund	4,452
	Law Enforcement Fund	407
	Golf Course Fund	101
		<u>\$ 380,083</u>

2. Interfund Transfers

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Public Improvement Fund	General Fund	\$ 90,000
State Grants Fund	Public Improvement Fund	30,000
Parks Commission Fund	Bike Path / Side Walk Fund	26,000
		<u>\$146,000</u>

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS - Continued

D. Long-Term Debt

The following is a summary of long-term debt transactions of the Township for the year ended December 31, 2004:

	Balance 1/1/2004	Additions	Reductions	Balance 12/31/2004	Balance Within 1 Year
Gov. Activities:					
Installment Purchase Notes	\$ 1,753,238	\$ -	\$ 253,663	\$ 1,499,575	\$ 261,190
General Obligation	505,000	-	170,000	335,000	160,000
Comp. Absences	1,759,034	101,696	-	1,860,730	-
Contract Debt	2,700,000	-	300,000	2,400,000	300,000
	<u>\$ 6,717,272</u>	<u>\$ 101,696</u>	<u>\$ 723,663</u>	<u>\$ 6,095,305</u>	<u>\$ 721,190</u>
Business Type Activities:					
Installment Purchase Notes	\$ 47,990	\$ -	\$ 23,240	\$ 24,750	\$ 24,750

The following is a summary of general obligation debt outstanding of the Township as of December 31, 2004:

	Number of Issues	Interest Rate	Maturing Through	Principal Outstanding
Governmental Activities:				
Installment Purchase Notes	3	6.51%-3.94%	2012	\$ 1,499,575
General Obligation	1	3.85%-4.15%	2006	335,000
Comp. Absences	N/A			1,860,730
Contract Debt	1	3.75%-4.15%	2012	2,400,000
				<u>\$ 6,095,305</u>

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS - Continued

D. Long-Term Debt - Continued

The annual debt service requirements to maturity for debt outstanding as of December 31, 2004 is as follows:

<u>Year Ended</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 721,190	\$ 180,662
2005	738,385	149,854
2006	445,000	120,112
2007	455,000	99,545
2008	460,000	80,362
2009-2012	1,415,000	123,167
	<u>\$ 4,234,575</u>	<u>\$ 753,702</u>

E. Reserved Fund Balance

A detailed description of fund balance reservations and designations (for all governmental fund types) at December 31, 2004, is presented below:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
<u>Fund Balance</u>			
Reserved For:			
Capital Projects	\$ 300,000	\$ -	\$ -
Debt Service	-	-	392,268
Total Reserved	<u>300,000</u>	<u>-</u>	<u>392,268</u>
Unreserved:			
Designated	3,346,000	-	-
Undesignated	1,442,804	6,848,864	-
Total Unreserved	<u>4,788,804</u>	<u>6,848,864</u>	<u>-</u>
Total Fund Balance	<u>\$ 5,088,804</u>	<u>\$ 6,848,864</u>	<u>\$ 392,268</u>

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

IV. DETAILED NOTES ON ALL FUNDS - Continued

F. Property Taxes

Property taxes are assessed as of each December 31. The Township tax levy is billed on December 1 of the following year, and payable through February. Taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed. The maximum authorized operating levy for the Township are detailed below:

<u>Purpose</u>	<u>Authorization</u>	<u>Term</u>	<u>Pre- Rollback Auth. Rate</u>	<u>Post Rollback Auth. Rate</u>	<u>Rate Levied</u>
Operating	State Law	-	1.1160	1.0348	1.0348
Fire Protection	Vote	2002-2004	3.3000	3.2544	3.2544
Solid Waste	Vote	2002-2004	1.6500	1.6272	1.6272
Police Protection	Vote	2002-2004	3.3000	3.2544	3.2544
Rec/Bike Path	Vote	2002-2004	0.5000	0.4931	0.4931
Sewer	State Law	-	-	0.1314	0.1314
Fire Pension	State Law	-	-	0.3222	0.3222
Total				<u>10.1175</u>	<u>10.1175</u>

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

V. OTHER INFORMATION

A. Employee Retirement Systems and Plans

The Township has four different pension plans covering substantially all full time employees. The employees are eligible for the different plans based on their classification into these three categories:

Fire Fighters  
Elected Officials  
Other Full Time Employees

The following disclosures are made for each plan:

1. Fire Fighters

a. Defined Benefit Plan

Substantially all full time employees of the Fire Department are covered by the Charter Township Police and Firefighters Retirement System (a public employees retirement system or P.E.R.S.). The P.E.R.S. is the administrator of a single - employer pension plan that was established by the Township in accordance with Township ordinance and state law (P.A. 345 of 1937 as amended). The P.E.R.S. is presented as a component unit of the Township's financial reporting entity.

The system provides the following provisions: normal retirement, deferred retirement, service retirement allowance, disability retirement allowance, nonduty-connected death and postretirement adjustments to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by a certain percentage based on the benefit program in effect as of the date of termination of membership times the final average compensation (FAC). The most recent period for which actuarial data was available was for the actuarial valuation as of December 31, 2003.

b. Summary of Significant Accounting Policies and Plan Asset Matters

The Charter Township of Ypsilanti's P.E.R.S. financial statements are prepared on the accrual basis of accounting. Contributions from the Township and the employees are recognized as revenue in the period in which employees provide services to the Township. Investment income is recognized as earned by the pension plan. Investments in securities are valued at fair market value. No investment in any one organization represents 5% or more of the net assets available for pension benefits.

There are no investments in, loans to, or leases with parties related to the pension plan.

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

V. OTHER INFORMATION - Continued

A. Employee Retirement Systems and Plans - Continued

1. Fire Fighters - Continued

c. Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's competitive bargaining units and personnel policy. The Township is required to contribute at an actuarially determined rate; the current rate was -0-percent of annual compensation at December 31, 2001.

d. Annual Pension Cost

During the fiscal year ended December 31, 2004, the Township's contributions totaling \$ 0 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2002, and the amounts necessary to pay post retirement health care and plan administrative costs. The employer contribution rate has been determined based on the individual entry age funding method. Under the individual entry age funding method, the total employer contribution is comprised of the normal cost plus the level annual percentage of payroll payment required to amortize the unfunded actuarial accrued liability over 15 years. The employer normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member's retirement to pay for his projected benefit. Significant actuarial assumptions used include a long-term investment yield rate of 7% and annual salary increases of 5.5% based on an age-related scale to reflect merit, longevity, and promotional salary increases.

Fiscal Year Ended <u>December 31</u>	<u>Trend Information</u>			
	Valuation Date <u>December 31</u>	Annual Pension Cost (APC) <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>Obligation</u>
1998	1996	\$ 40,787	116.7%	\$ -0-
1999	1997	66,987	100.0%	-0-
2000	1998	165,742	100.0%	-0-
2001	1999	276,474	100.0%	-0-
2002	2000	-0-	100.0%	-0-
2003	2001	-0-	100.0%	-0-
2004	2002	-0-	100.0%	-0-



CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

V. OTHER INFORMATION - Continued

A. Employee Retirement Systems and Plans - Continued

2. Elected Officials

a. Defined Contribution Plan

Ypsilanti Township's Group Pension Plan is a single employer P.E.R.S. that administers the Township's defined contribution pension plan for its Elected Officials. The Township includes the pension plan as a component unit. The Township is the only non-employee contributor to the plan. Only elected officials are eligible for the plan. As of December 31, 2004 the plan's membership was 7 officials. The Plan was established by Township ordinance, which may be amended by amendment of the ordinance.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account. As established by Township policy, all elected officials are eligible for the plan on the date of commencement of their employment (following election) and officials may waive participation upon written notification.

Voluntary contributions made by participants and employer contributions vest immediately as provided by the plan, the Township contributes 20% of the employees gross earnings; the employee may make voluntary contributions up to 10% of his or her gross earnings. During 2004, total Township contributions of \$54,483 and total employee contributions of \$0 were made to the plan.

b. Summary of Significant Accounting Policies and Plan Asset Matters

The Township's elected officials pension plan financial statements are prepared on the accrual basis of accounting. Contributions from the Township and the Township employees are recognized as revenue in the period in which employees provide services to the Township. Investment income is recognized as earned by the pension plan.

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

V. OTHER INFORMATION - Continued

A. Employee Retirement Systems and Plans - Continued

2. Elected Officials - Continued

b. Summary of Significant Accounting Policies and Plan Asset Matters - Continued

Investments in securities are valued at cost which approximates market. All funds are invested in 10 year retirement annuities through the ManuLife Retirement Plan sponsored by the Michigan Township Association.

There are no investments in, loans to, or leases with parties related to the pension plan.

3. Other Full Time Employees

a. Defined Benefit Plan

The Township contributes to the Michigan Municipal Employees' Retirement System (MMERS), which is an agent multiple employer retirement system that covers all full time employees of the Township except elected officials and firefighters. The system provides the following provisions: normal retirement, deferred retirement, service retirement allowance, disability retirement allowance, nonduty-connected death and postretirement adjustments to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by a certain percentage based on the benefit program in effect as of the date of termination of membership times the final average compensation (FAC). The most recent period for which actuarial data was available was for the actuarial valuation as of December 31, 2003.

MERS was organized pursuant to Section 12a of Act #156, Public Acts of 1851 (MSA 5.333(a); MCLA 46.12(a)), as amended, State of Michigan. MERS is regulated under Act No. 427 of the Public Acts of 1984, sections of which have been approved by the State Pension Commission. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the System at 447 N. Canal St., Lansing, Michigan 48917-9755.

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

V. OTHER INFORMATION - Continued

A. Employee Retirement Systems and Plans - Continued

3. Other Full Time Employees - Continued

b. Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's competitive bargaining units and personnel policy. The Township is required to contribute at an actuarially determined rate; the current rate was a percentage of annual compensation at December 31, 2003 as follows:

AFSCME and Management	4.62%
District Court 14B	6.85%

The employees are required to contribute 6% of their pay.

c. Annual Pension Cost

During the fiscal year ended December 31, 2004, the total contributions to the plan amounted to \$526,036, which consisted of employer contributions of \$279,500, and employee contributions of \$246,536, and were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2003. The employer contribution rate has been determined based on the entry age normal cost funding method. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost plus the level annual percentage of payroll payment required to amortize the unfunded actuarial accrued liability over 30 years. The employer normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member's retirement to pay for his projected benefit. Significant actuarial assumptions used include a long-term investment yield rate of 8% and annual salary increases of 4.5% based on an age-related scale to reflect merit, longevity, and promotional salary increases.

Trend Information

<u>Fiscal Year</u> <u>Ended</u> <u>Dec. 31</u>	<u>Valuation</u> <u>Date</u> <u>Dec. 31</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
1998	1996	\$176,033	130%	\$ -0-
1999	1997	147,399	117%	-0-
2000	1998	152,206	141%	-0-
2001	1999	141,339	134%	-0-
2002	2000	172,267	100%	-0-
2003	2001	457,300	100%	-0-
2004	2002	526,036	100%	-0-

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

V. OTHER INFORMATION - Continued

A. Employee Retirement Systems and Plans - Continued

4. Firefighter's Health Care Plan

a. Plan Description

The Township Board established by resolution the Firefighter's Health Care Plan, a single-employer defined benefit post retirement health care plan. The plan is designed to accumulate resources to pay for post retirement health and dental insurance for retired firefighters. The plan was established under the authority of P.A. 169 of 1999.

Membership in the plan at December 31 2003 (latest actuarial report) is as follows:

Retires and Beneficiaries recovery benefits	35
Terminated plan members entitled to but not yet receives benefits	-
Active plan members	<u>36</u>
	<u>71</u>

b. Summary of Significant Accounting Policies

*Basis of Accounting.* The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Healthcare premiums are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments.* Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

c. Contributions

The Plan's funding policy provides for periodic contributions by the Township at actuarially determined rates expressed as a percentage of annual covered payroll. The Township contributes at a rate of 17% of annual covered payroll. Plan members are required to contribute 6-7% of their annual covered salary. Administrative costs of the plan are financed through investment earnings.

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

V. OTHER INFORMATION - Continued

A. Employee Retirement Systems and Plans - Continued

4. Firefighter's Health Care Plan - Continued

d. Annual Pension Cost

Annual pension cost and related trend information is not presented as this is the initial year of the plan.

B. Post Retirement Health Care Benefits

In addition to providing pension benefits, the Township provides certain health care insurance benefits to all full time employees of the Township. All eligible full time employees who retire at normal retirement age, are entitled to receive these benefits during their retirement. Currently 50 retirees are covered by this plan. These benefits are expensed in the year paid, on a pay-as-you-go basis. For the year ended December 31, 2004, these costs amounted to approximately:

Township Employees	\$159,787
Firefighters	
(As discussed previously)	<u>411,085</u>
	<u>\$570,872</u>

The basis for these payments are the agreements with employee groups through collective bargaining as well as the Township's personnel policy.

C. Risk Management

The Township purchases insurance coverage through traditional means. The Township's property and liability and workers compensation coverages are on file in the Risk Manager's office.

D. Contingencies

1. Consent Judgment

The Township entered into a settlement agreement with the City of Ypsilanti relative to dissolution of the Joint Ypsilanti Recreation Organization (JYRO). Under the settlement, all properties previously owned and managed by JYRO were conveyed to the Township in exchange for the following contingent payments from the Township to the City:

- a. 10% of gross revenues, for fifty years, from the operation of the Ford Lake Dam. Gross revenues are defined as revenues from dam operations less 20% reserve for capital improvements, until \$300,000 is accumulated.

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

V. OTHER INFORMATION – Continued

D. Contingencies - Continued

1. Consent Judgment - Continued

- b. 50% of residual funds available after Dam, Park Operations, royalties and reserve requirements are paid from Dam revenues.

2. Ypsilanti Community Utility Debt

As discussed in the "Reporting Entity" the Township participates in a joint venture with the City of Ypsilanti, known as the Ypsilanti Community Utilities Authority. The Authority issues bonds that are backed by the full faith and credit (subject to constitutional limitations) of the City or Township. The proceeds of these bonds are used to construct the various infrastructure projects, and the recipient of these obligations have been made by the revenues of the Authority. As of August 31, 2004, (the latest audited information of the Authority) the total amount of these obligations were \$32,386,992.

3. Property Tax Litigation

Utility companies appealed tax assessments for 1997-2003, claiming that the State Tax Commission revised depreciation tables adopted in 1999 had retroactive effect. The courts have ruled in favor of the utilities, and while the case is in appeals, the Township believes a recognition of losses are likely in future years. In addition, other taxpayers have commenced litigation regarding valuation issues, and the Township also believes that recognition of losses are likely. While the exact amount of these losses are not known, a reasonable estimate based on information currently available is approximately \$651,700. This amount has been recognized as a loss in previous years (1997-2003) as a liability in the General Fund, Fire Fund, Law Enforcement, Solid Waste, Bike Sidewalk and Repair Fund, and Debt Service Fund.

4. Other Matters

There are various other legal actions pending against the Township. Due to the inconclusive nature of many of the actions, it is not possible to determine the probable outcome or a reasonable estimate of the Township's potential liability, if any.

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

V. OTHER INFORMATION – Continued

E. Lease Agreement - Y.C.U.A.

On January 21, 1992 the Township entered into a lease agreement with the Ypsilanti Community Utilities Authority for the Service Center facility owned by the Township. The terms of the lease are as follows:

Effective Date:	10/1/90
Term:	20 Years
Annual Lease Payments:	\$ 220,000
Minimum Lease Payments (220,000 x 20):	\$4,400,000

This lease is classified as a "direct financing lease" as defined by the Financial Accounting Standard Board's statement number 13, as amended. The following summary lists the components of the "net investments" in direct financing lease as of December 31:

Total Minimum Lease Payments	<u>2004</u>
to be Received	\$ 990,000
Less: Amounts Representing Estimated Executory Costs	<u>-</u>
Minimum Lease Payments Receivable	990,000
Less: Allowance for Uncollectibles	<u>-</u>
Net Minimum Lease Payments Receivable	990,000
Estimated Residual Value of Property	<u>-</u>
	990,000
Less: Unearned Finance Income	<u>221,391</u>
Net Investment in Direct Financing Leases	<u>\$ 768,609</u>

No contingent rentals were included in the lease provisions. At December 31, 2004, minimum lease payments for the next five succeeding fiscal years are as follows:

<u>Year</u>	<u>Amount</u>
2005	\$ 220,000
2006	220,000
2007	220,000
2008	<u>330,000</u>
	<u>\$ 990,000</u>

CHARTER TOWNSHIP OF YPSILANTI  
Notes to Financial Statements  
December 31, 2004

V. OTHER INFORMATION – Continued

F. Subsequent Events

On February 17, 2005, the Township issued two obligations to finance the purchase of land.

Charter Township of Ypsilanti General Obligation Limited Tax Capital Improvement Bonds, Series 2005A (Tax Exempt)	\$ 475,000
Charter Township of Ypsilanti General Obligation Limited Tax Pledge Capital Improvement Bonds, Series 2005B (Taxable)	<u>4,745,000</u>
Total	<u>\$5,220,000</u>

The proceeds of the bonds were used to acquire the property (\$4,100,000), and deposited into debt retirement accounts to pay future debt retirement costs (capitalized payments).



REQUIRED SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF YPSILANTI**  
**Required Supplementary Information – (Unaudited)**  
**Defined Benefit Pension Plans – Trend Information**  
**For the Year Ended December 31, 2004**

A. Police and Fire Pension

Actuarial Valuation Date	Schedule of Funding Progress					UAAL as a Percent of Covered Payroll
	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Underfunded AAL (UAAL)	Funded Ratio	Covered Payroll	
12/31/97	\$17,102,734	\$12,005,001	\$(5,097,733)	142%	\$1,660,635	-
12/31/98	18,868,177	12,486,609	(6,381,568)	151%	1,658,459	-
12/31/99	20,704,196	14,433,723	(6,270,473)	143%	1,862,245	-
12/31/00	22,122,513	15,010,643	(7,111,870)	147%	1,850,554	-
12/31/01	23,036,055	15,848,237	(7,187,818)	145%	1,972,538	-
12/31/02	23,738,457	16,957,687	(6,780,770)	140%	1,977,181	-
12/31/03	23,632,588	18,055,207	(5,577,381)	131%	2,143,204	-

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2003, the latest actual valuation, follows:

Actuarial cost method	Individual entry age
Amortization method	Level percent open
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	
Includes inflation at 5.5%	5.5 – 9.0%
Cost of living adjustments	None

Pension Reserves

Guidelines issued pursuant to the provisions of Act No 2 of the Public Acts of 1968 require maintenance of a reserve for pensions in payment status. The Reserves at December 31, 2003 (latest available information) are as follows:

	December 31, 2003
Reserve for Employees' Contributions	\$ 1,027,138
Reserve for Employer Contributions	11,555,746
Reserve for Retired Benefit Payments	10,003,549
Reserve for Health Benefits	None
Reserve for Undistributed Investment Income	None
Total Reserves	<u>\$ 22,586,433</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**Required Supplementary Information – (Unaudited)**  
**Defined Benefit Pension Plans – Trend Information**  
**For the Year Ended December 31, 2004**

B. Municipal Employees Retirement System

<u>Schedule of Funding Progress</u>						
<u>Actuarial</u>	<u>Actuarial</u>	<u>Actuarial</u>	<u>(Overfunded)</u>			
<u>Valuation</u>	<u>Value of</u>	<u>Accrued</u>	<u>Underfunded</u>	<u>Funded</u>	<u>Covered</u>	<u>UAAL as a</u>
<u>Date</u>	<u>Assets</u>	<u>Liability (AAL)</u>	<u>AAL</u>	<u>Ratio</u>	<u>Payroll</u>	<u>Percent of</u>
			<u>(UAAL)</u>			<u>Covered Payroll</u>
12/31/97	\$4,757,027	\$ 5,269,435	\$ 512,408	90%	\$2,225,629	23%
12/31/98	5,399,360	5,795,815	396,455	93%	2,737,467	14%
12/31/99	6,346,615	6,245,781	(100,834)	102%	3,122,103	0%
12/31/00	7,189,767	7,445,144	255,377	97%	3,489,580	7%
12/31/01	7,883,773	8,563,964	680,191	92%	3,630,917	19%
12/31/02	8,287,051	9,555,195	1,268,144	87%	3,792,273	33%
12/31/03	9,147,480	10,214,254	1,066,774	90%	3,848,558	28%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2003, the latest actual valuation, follows:

Actuarial cost method	Entry age normal cost
Amortization method	Level percent
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases	
Includes inflation at	4.50-8.66%
Cost of living adjustments	None

C. Firefighters Retiree Health Care Benefit Fund

<u>Schedule of Funding Progress</u>					
<u>Actuarial</u>	<u>Actuarial</u>	<u>Actuarial</u>	<u>(Overfunded)</u>		
<u>Valuation</u>	<u>Value of</u>	<u>Accrued</u>	<u>Underfunded</u>	<u>Funded</u>	<u>Covered</u>
<u>Date</u>	<u>Assets</u>	<u>Liability AAL)</u>	<u>AAL</u>	<u>Ratio</u>	<u>Payroll</u>
			<u>(UAAL)</u>		
12/31/03	\$304,719	\$8,751,570	\$8,446,851	-	\$2,143,204

**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 1,388,479	\$ 1,388,479	\$ 1,447,087	\$ 58,608
Licenses and Permits	14,000	14,000	18,208	4,208
Intergovernmental - State	4,719,840	4,534,360	4,510,283	(24,077)
Revenues from Current Services	2,699,008	2,739,008	2,788,238	49,230
Interest Income	50,000	50,000	85,867	35,867
Other Revenues	496,500	496,500	577,731	81,231
Total Revenues	<u>9,367,827</u>	<u>9,222,347</u>	<u>9,427,414</u>	<u>205,067</u>
Expenditures:				
General Government:				
Township Board	167,289	167,289	149,726	17,563
Township Supervisor	168,997	168,997	167,211	1,786
District Court	1,205,314	1,238,214	1,185,758	52,456
Due Process	342,500	342,500	244,986	97,514
Township Treasurer	300,954	300,954	285,200	15,754
Township Clerk	266,733	293,533	292,019	1,514
Election Department	258,722	258,722	236,532	22,190
Accounting Department	234,132	239,132	231,500	7,632
Professional Services	38,000	38,000	33,250	4,750
Assessor's Office	517,032	647,032	634,679	12,353
Legal Services	367,080	367,080	302,928	64,152
Personnel	247,848	247,848	240,887	6,961
Purchasing Department	60,028	60,028	58,613	1,415
Board of Review	5,638	5,638	2,489	3,149
Residential Services Administration	109,913	109,913	90,235	19,678
Building Operations	878,303	911,303	810,039	101,264
Computer Services	181,395	159,732	149,204	10,528
General Service Administration	197,000	197,000	158,762	38,238
Total General Government	<u>5,546,878</u>	<u>5,752,915</u>	<u>5,274,018</u>	<u>478,897</u>
Community Development	<u>207,688</u>	<u>247,688</u>	<u>245,804</u>	<u>1,884</u>
Highways and Streets	<u>400,259</u>	<u>1,825,259</u>	<u>1,769,515</u>	<u>55,744</u>
Parks & Recreation:				
Parks Department	734,407	804,607	783,767	20,840
Recreation Department	801,782	801,782	766,387	35,395
Total Parks & Recreation	<u>1,536,189</u>	<u>1,606,389</u>	<u>1,550,154</u>	<u>56,235</u>
Planning:				
Planning Commission	32,772	32,772	25,062	7,710
Board of Appeals	5,316	5,316	4,217	1,099
Total Planning	<u>38,088</u>	<u>38,088</u>	<u>29,279</u>	<u>8,809</u>

(continued)

**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued):				
Other Functions	\$ 850,500	\$ 867,000	\$ 812,709	\$ 54,291
Capital Outlay:				
District Court	41,400	8,500	5,179	3,321
Supervisor	2,000	2,000	-	2,000
Accounting	225	225	-	225
Purchasing	500	500	-	500
Treasurer	500	500	-	500
Computer Support	133,600	155,263	148,602	6,661
General Services	-	50,000	28,552	21,448
Parks	8,000	8,000	3,447	4,553
Total Capital Outlay	<u>186,225</u>	<u>224,988</u>	<u>185,780</u>	<u>39,208</u>
Debt Service:				
Principal	431,255	431,255	430,000	1,255
Interest and Other Charges	<u>170,745</u>	<u>170,745</u>	<u>170,995</u>	<u>(250)</u>
Total Debt Service	<u>602,000</u>	<u>602,000</u>	<u>600,995</u>	<u>1,005</u>
Total Expenditures	<u>9,367,827</u>	<u>11,164,327</u>	<u>10,468,254</u>	<u>696,073</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(1,941,980)</u>	<u>(1,040,840)</u>	<u>901,140</u>
Other Financing Sources (Uses):				
Operating Transfers Out	<u>-</u>	<u>(150,000)</u>	<u>(90,000)</u>	<u>60,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(150,000)</u>	<u>(90,000)</u>	<u>60,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>(2,091,980)</u>	(1,130,840)	\$ <u>961,140</u>
Fund Balance - January 1			<u>6,219,644</u>	
Fund Balance - December 31			\$ <u>5,088,804</u>	

**CHARTER TOWNSHIP OF YPSILANTI**  
**Fire Department Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 4,319,531	\$ 4,319,531	\$ 4,345,804	\$ 26,273
Intergovernmental - Federal	-	-	2,301	2,301
Interest Income	10,000	10,000	49,519	39,519
Contributions & Donations	-	-	10,000	10,000
Miscellaneous	-	-	2,164	2,164
Total Revenues	<u>4,329,531</u>	<u>4,329,531</u>	<u>4,409,788</u>	<u>80,257</u>
Expenditures:				
Public Safety:				
Fire Department	3,816,150	3,816,150	3,486,701	329,449
Civil Service Commission	<u>32,081</u>	<u>32,081</u>	<u>26,222</u>	<u>5,859</u>
Total Public Safety	<u>3,848,231</u>	<u>3,848,231</u>	<u>3,512,923</u>	<u>335,308</u>
Capital Outlay	<u>342,000</u>	<u>875,400</u>	<u>930,873</u>	<u>(55,473)</u>
Debt Service:				
Principal	119,300	119,300	117,508	1,792
Interest	<u>20,000</u>	<u>20,000</u>	<u>18,052</u>	<u>1,948</u>
Total Debt Service	<u>139,300</u>	<u>139,300</u>	<u>135,560</u>	<u>3,740</u>
Total Expenditures	<u>4,329,531</u>	<u>4,862,931</u>	<u>4,579,356</u>	<u>283,575</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>-</u>	\$ <u>(533,400)</u>	(169,568)	\$ <u>363,832</u>
Fund Balance - January 1			<u>2,148,434</u>	
Fund Balance - December 31			\$ <u>1,978,866</u>	

**CHARTER TOWNSHIP OF YPSILANTI**  
**Environmental Services Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 2,159,765	\$ 2,159,765	\$ 2,172,339	\$ 12,574
Revenues from Current Services	4,000	4,000	37,483	33,483
Interest Earned	14,000	14,000	42,710	28,710
Other	-	-	54,406	54,406
Total Revenues	<u>2,177,765</u>	<u>2,177,765</u>	<u>2,306,938</u>	<u>129,173</u>
Expenditures:				
Sanitation	2,223,373	2,249,373	2,188,723	60,650
Capital Outlay	60,000	61,000	60,525	475
Total Expenditures	<u>2,283,373</u>	<u>2,310,373</u>	<u>2,249,248</u>	<u>61,125</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(105,608)</u>	<u>(132,608)</u>	<u>57,690</u>	<u>190,298</u>
Other Financing Uses:				
Transfers Out-Compost Fund	-	(143,838)	-	143,838
Total Other Financing Uses	<u>-</u>	<u>(143,838)</u>	<u>-</u>	<u>143,838</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses	<u>\$ (105,608)</u>	<u>\$ (276,446)</u>	<u>57,690</u>	<u>\$ 334,136</u>
Fund Balance - January 1			<u>1,828,092</u>	
Fund Balance - December 31			<u>\$ 1,885,782</u>	

**CHARTER TOWNSHIP OF YPSILANTI**  
**Law Enforcement Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**  
**For The Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 4,319,531	\$ 4,319,531	\$ 4,345,804	\$ 26,273
Intergovernmental	15,000	15,000	16,848	1,848
Interest Earned	-	-	12,894	12,894
Other	-	-	1,941	1,941
Total Revenues	<u>4,334,531</u>	<u>4,334,531</u>	<u>4,377,487</u>	<u>42,956</u>
Expenditures:				
Public Safety:				
Sheriff Services	4,075,069	4,112,751	4,032,008	80,743
Constables	9,851	9,851	8,606	1,245
Community Support	62,948	62,948	60,472	2,476
Ordinance	185,163	192,163	185,410	6,753
Total Public Safety	<u>4,333,031</u>	<u>4,377,713</u>	<u>4,286,496</u>	<u>91,217</u>
Capital Outlay	<u>1,500</u>	<u>2,775</u>	<u>1,272</u>	<u>1,503</u>
Total Expenditures	<u>4,334,531</u>	<u>4,380,488</u>	<u>4,287,768</u>	<u>92,720</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>-</u>	\$ <u>(45,957)</u>	89,719	\$ <u>135,676</u>
Fund Balance - January 1			<u>167,089</u>	
Fund Balance - December 31			\$ <u>256,808</u>	



**CHARTER TOWNSHIP OF YPSILANTI**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2004**

	<u>Special Revenue</u>	<u>General Obligation Debt Serv.</u>	<u>Building Authority Debt Serv.</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 3,387,823	\$ 429,743	\$ 3,630	\$ 3,821,196
Accounts Receivable Receivables (net of allowance for uncollectibles):				
Taxes	104	87	-	191
Accounts	-	825	-	825
Due From Other Funds	120,008	7	-	120,015
Due From Other Governmental Units	329,300	836	-	330,136
Prepaid Expenditures	4,050	-	-	4,050
Total Assets	<u>\$ 3,841,285</u>	<u>\$ 431,498</u>	<u>\$ 3,630</u>	<u>\$ 4,276,413</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities:				
Accounts Payable	\$ 624,553	\$ -	\$ -	\$ 624,553
Accrued Liabilities	337,716	42,600	-	380,316
Due to Other Funds	151,608	260	-	151,868
Total Liabilities	<u>1,113,877</u>	<u>42,860</u>	<u>-</u>	<u>1,156,737</u>
Fund Balance:				
Reserved for :				
Debt Service	-	388,638	3,630	392,268
Unreserved	2,727,408	-	-	2,727,408
Total Fund Balance	<u>2,727,408</u>	<u>388,638</u>	<u>3,630</u>	<u>3,119,676</u>
Total Liabilities and Fund Balance	<u>\$ 3,841,285</u>	<u>\$ 431,498</u>	<u>\$ 3,630</u>	<u>\$ 4,276,413</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2004**

	<u>Special Revenue</u>	<u>General Obligation Debt Serv.</u>	<u>Building Authority Debt Serv.</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>				
Taxes	\$ 658,291	\$ 602,761	\$ -	\$ 1,261,052
Licenses and Permits	1,586,443	-	-	1,586,443
Intergovernmental	329,300	-	-	329,300
Charges for Services	331,593	-	-	331,593
Interest and Rent	56,371	100,327	33	156,731
Other	1,536	126,889	-	128,425
Total Revenues	<u>2,963,534</u>	<u>829,977</u>	<u>33</u>	<u>3,793,544</u>
<b>Expenditures:</b>				
General Government	802	-	-	802
Public Safety	935,331	428,849	-	1,364,180
Public Works	276,841	-	-	276,841
Recreation and Cultural	8,561	-	-	8,561
Debt Service:				
Principal	6,155	170,000	-	176,155
Interest and Other Charges	400	20,373	-	20,773
Other	-	174,718	-	174,718
Capital Outlay	2,303,630	-	-	2,303,630
Total Expenditures	<u>3,531,720</u>	<u>793,940</u>	<u>-</u>	<u>4,325,660</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(568,186)</u>	<u>36,037</u>	<u>33</u>	<u>(532,116)</u>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	146,000	-	-	146,000
Operating Transfers Out	(56,000)	-	-	(56,000)
Total Other Financing Sources (Uses)	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>90,000</u>
Net Change in Fund Balance	(478,186)	36,037	33	(442,116)
Fund Balance, December 1	<u>3,205,594</u>	<u>352,601</u>	<u>3,597</u>	<u>3,561,792</u>
Fund Balance, December 31	<u>\$ 2,727,408</u>	<u>\$ 388,638</u>	<u>\$ 3,630</u>	<u>\$ 3,119,676</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**December 31, 2004**

<b><u>ASSETS</u></b>	<b><u>Parks Commission</u></b>	<b><u>Recreation, Bike Path, Sidewalk Repair</u></b>	<b><u>Environmental Cleanup</u></b>
Cash and Cash Equivalents	\$ 59,761	\$ 235,722	\$ 382,476
Receivables (net of allowance for uncollectibles):			
Taxes	-	104	-
Accounts	-	-	-
Due From Other Funds	-	8	-
Due From Other Governmental Units	-	329,300	-
Prepaid Expenditures	-	-	-
Total Assets	\$ <u>59,761</u>	\$ <u>565,134</u>	\$ <u>382,476</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
Liabilities:			
Accounts Payable	\$ 6,695	\$ 225,691	\$ 250,000
Accrued Liabilities	200	32,325	-
Due to Other Funds	-	283	-
Total Liabilities	<u>6,895</u>	<u>258,299</u>	<u>250,000</u>
Fund Balance:			
Unreserved:			
Undesignated	<u>52,866</u>	<u>306,835</u>	<u>132,476</u>
Total Fund Balance	<u>52,866</u>	<u>306,835</u>	<u>132,476</u>
Total Liabilities and Fund Balance	\$ <u>59,761</u>	\$ <u>565,134</u>	\$ <u>382,476</u>

<u>Noxious Weeds</u>	<u>State Grants</u>	<u>Building Department</u>	<u>Hydro Station</u>	<u>Public Improvement</u>	<u>Total</u>
\$ 6,190	\$ 2,715	\$ 799,377	\$ 141,710	\$ 1,759,872	\$ 3,387,823
-	-	-	-	-	104
-	30,000	-	-	90,000	120,008
-	1	-	-	-	329,300
<u>6,190</u>	<u>32,716</u>	<u>799,377</u>	<u>4,049</u>	<u>-</u>	<u>4,050</u>
\$ <u>6,190</u>	\$ <u>32,716</u>	\$ <u>799,377</u>	\$ <u>145,759</u>	\$ <u>1,849,872</u>	\$ <u>3,841,285</u>
\$ -	\$ -	\$ 9,033	\$ 10,592	\$ 122,542	\$ 624,553
-	10,000	13,386	37,460	254,345	337,716
<u>-</u>	<u>10,000</u>	<u>33,251</u>	<u>77,400</u>	<u>30,674</u>	<u>151,608</u>
<u>-</u>	<u>10,000</u>	<u>55,670</u>	<u>125,452</u>	<u>407,561</u>	<u>1,113,877</u>
<u>6,190</u>	<u>22,716</u>	<u>743,707</u>	<u>20,307</u>	<u>1,442,311</u>	<u>2,727,408</u>
<u>6,190</u>	<u>22,716</u>	<u>743,707</u>	<u>20,307</u>	<u>1,442,311</u>	<u>2,727,408</u>
\$ <u>6,190</u>	\$ <u>32,716</u>	\$ <u>799,377</u>	\$ <u>145,759</u>	\$ <u>1,849,872</u>	\$ <u>3,841,285</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2004**

	<b><u>Parks Commission</u></b>	<b><u>Recreation, Bike Path, Sidewalk Repair</u></b>	<b><u>Environmental Cleanup</u></b>
<b><u>Revenues:</u></b>			
Taxes	\$ -	\$ 658,291	\$ -
Licenses and Permits	-	90,063	-
Intergovernmental	-	329,300	-
Charges for Services	10,964	-	-
Interest and Rent	511	11,060	4,207
Other	-	-	-
Total Revenues	<u>11,475</u>	<u>1,088,714</u>	<u>4,207</u>
<b><u>Expenditures:</u></b>			
General Government	-	802	-
Public Safety	-	-	-
Public Works	-	-	-
Recreation and Cultural	4,131	4,430	-
Debt Service:			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	<u>57,162</u>	<u>1,490,769</u>	<u>-</u>
Total Expenditures	<u>61,293</u>	<u>1,496,001</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(49,818)</u>	<u>(407,287)</u>	<u>4,207</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Operating Transfers In	26,000	-	-
Operating Transfers Out	<u>-</u>	<u>(26,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>26,000</u>	<u>(26,000)</u>	<u>-</u>
Net Change in Fund Balance	(23,818)	(433,287)	4,207
Fund Balance, January 1,	<u>76,684</u>	<u>740,122</u>	<u>128,269</u>
Fund Balance, December 31	\$ <u><u>52,866</u></u>	\$ <u><u>306,835</u></u>	\$ <u><u>132,476</u></u>

<u>Noxious Weeds</u>	<u>State Grants</u>	<u>Building Department</u>	<u>Hydro Station</u>	<u>Public Improvement</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 658,291
-	-	1,496,380	-	-	1,586,443
35,254	-	-	-	-	329,300
227	152	4,948	285,375	-	331,593
-	-	1,536	614	34,652	56,371
-	-	-	-	-	1,536
<u>35,481</u>	<u>152</u>	<u>1,502,864</u>	<u>285,989</u>	<u>34,652</u>	<u>2,963,534</u>
-	-	-	-	-	802
26,905	-	935,331	-	-	935,331
-	-	-	249,936	-	276,841
-	-	-	-	-	8,561
6,155	-	-	-	-	6,155
400	-	-	-	-	400
<u>34,899</u>	<u>24,844</u>	<u>13,977</u>	<u>15,746</u>	<u>666,233</u>	<u>2,303,630</u>
<u>68,359</u>	<u>24,844</u>	<u>949,308</u>	<u>265,682</u>	<u>666,233</u>	<u>3,531,720</u>
<u>(32,878)</u>	<u>(24,692)</u>	<u>553,556</u>	<u>20,307</u>	<u>(631,581)</u>	<u>(568,186)</u>
-	30,000	-	-	90,000	146,000
-	-	-	-	(30,000)	(56,000)
-	30,000	-	-	60,000	90,000
(32,878)	5,308	553,556	20,307	(571,581)	(478,186)
<u>39,068</u>	<u>17,408</u>	<u>190,151</u>	<u>-</u>	<u>2,013,892</u>	<u>3,205,594</u>
\$ <u>6,190</u>	\$ <u>22,716</u>	\$ <u>743,707</u>	\$ <u>20,307</u>	\$ <u>1,442,311</u>	\$ <u>2,727,408</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**Internal Service Funds**  
**Combining Balance Sheet**  
**December 31, 2004**

<u>ASSETS</u>	<u>Motor Pool Fund</u>	<u>Compost Center</u>	<u>Total</u>
Current Assets:			
Cash and Cash Equivalents	\$ 498,203	\$ 307,311	\$ 805,514
Accounts Receivable	9,546	300	9,846
Due from Other Funds	20,896	210	21,106
Prepaid Expense	-	1,755	1,755
Inventory	18,324	-	18,324
Total Current Assets	<u>546,969</u>	<u>309,576</u>	<u>856,545</u>
Property, Plant and Equipment:			
Building Improvements	-	55,449	55,449
Machinery and Equipment	13,425	507,730	521,155
Vehicles	405,762	-	405,762
	<u>419,187</u>	<u>563,179</u>	<u>982,366</u>
Less: Accumulated Depreciation	<u>(282,275)</u>	<u>(282,317)</u>	<u>(564,592)</u>
Net Property, Plant and Equipment	<u>136,912</u>	<u>280,862</u>	<u>417,774</u>
Total Assets	\$ <u>683,881</u>	\$ <u>590,438</u>	\$ <u>1,274,319</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
Current Liabilities:			
Payables:			
Accounts	\$ 15,921	\$ 13,989	\$ 29,910
Due to Other Funds	-	552	552
Salaries	51	1,933	1,984
Total Current Liabilities	<u>15,972</u>	<u>16,474</u>	<u>32,446</u>
Fund Equity:			
Invested in Capital Assets, Net of Related Debt	136,912	280,862	417,774
Unrestricted	<u>530,997</u>	<u>293,102</u>	<u>824,099</u>
Total Fund Equity	<u>667,909</u>	<u>573,964</u>	<u>1,241,873</u>
Total Liabilities and Fund Equity	\$ <u>683,881</u>	\$ <u>590,438</u>	\$ <u>1,274,319</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Retained Earnings**  
**For the Year Ended December 31, 2004**

	<u>Motor Pool Fund</u>	<u>Compost Center</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ 301,755	\$ 326,804	\$ 628,559
Operating Expenses:			
Cost of Sales	85,729	45,072	130,801
Personal Services	23,764	112,078	135,842
Supplies, Repairs, Insurance and Other Expenses	39,985	60,287	100,272
Benefits & Administrative	-	11,323	11,323
Depreciation	38,741	59,939	98,680
Total Operating Expenses	<u>188,219</u>	<u>288,699</u>	<u>476,918</u>
Operating Income (Loss)	<u>113,536</u>	<u>38,105</u>	<u>151,641</u>
Non-Operating Revenues (Expenses):			
Gain on Sale of Assets	650	-	650
Interest Earned	4,749	2,274	7,023
Total Non-Operating Revenues (Expenses)	<u>5,399</u>	<u>2,274</u>	<u>7,673</u>
Net Income	118,935	40,379	159,314
Fund Equity, January 1	<u>548,974</u>	<u>533,585</u>	<u>1,082,559</u>
Fund Equity, December 31	\$ <u><u>667,909</u></u>	\$ <u><u>573,964</u></u>	\$ <u><u>1,241,873</u></u>



OTHER SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Detailed Revenues - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Property Taxes:				
Current Taxes	\$ 1,373,479	\$ 1,373,479	\$ 1,381,147	\$ 7,668
Delinquent Taxes	-	-	4,178	4,178
Payments in Lieu of Taxes	7,500	7,500	8,289	789
Penalties and Interest	7,500	7,500	53,473	45,973
Total Property Taxes	<u>1,388,479</u>	<u>1,388,479</u>	<u>1,447,087</u>	<u>58,608</u>
Licenses and Permits:				
Business Licenses and Permits:				
Salvage Yards	-	-	285	285
Trailer Fees	6,500	6,500	6,744	244
Peddlers Licenses	-	-	380	380
Total Business Licenses and Permits	<u>6,500</u>	<u>6,500</u>	<u>7,409</u>	<u>909</u>
Non Business Licenses and Permits:				
Licenses:				
Ordinances and Codes	1,500	1,500	2,805	1,305
Sign Permits	-	-	110	110
Dog Licenses	6,000	6,000	7,884	1,884
Total Non Business Licenses and Permits	<u>7,500</u>	<u>7,500</u>	<u>10,799</u>	<u>3,299</u>
Total Licenses and Permits	<u>14,000</u>	<u>14,000</u>	<u>18,208</u>	<u>4,208</u>
Intergovernmental - State:				
Shared Revenues	4,719,840	4,534,360	4,483,332	(51,028)
Agriculture Grant - Ash Trees	-	-	26,951	26,951
Total Intergovernmental-State	<u>4,719,840</u>	<u>4,534,360</u>	<u>4,510,283</u>	<u>(24,077)</u>

(continued)

**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Detailed Revenues - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues from Current Services:				
General Government:				
14 B Court Revenue	\$ 1,246,714	\$ 1,246,714	\$ 1,298,099	\$ 51,385
Site Plan Review	50,000	90,000	95,457	5,457
Board of Appeals	2,000	2,000	3,500	1,500
Plat Fees	-	-	6,384	6,384
Zoning Fees	7,000	7,000	500	(6,500)
Duplicating	-	-	2,818	2,818
Administration Fee	397,594	397,594	398,328	734
Administration Fee-Tax Collection	625,000	625,000	616,631	(8,369)
Other-IFT Applic & Twp & Precinct Map	-	-	3,350	3,350
Total General Government	<u>2,328,308</u>	<u>2,368,308</u>	<u>2,425,067</u>	<u>56,759</u>
Recreation:				
Adult Sports	70,000	70,000	49,144	(20,856)
Youth Sports	79,000	79,000	80,677	1,677
Dance	50,000	50,000	65,845	15,845
Day Camp	35,000	35,000	30,441	(4,559)
Senior Citizens	16,500	16,500	18,304	1,804
Other	48,200	48,200	47,923	(277)
Building Rental	21,000	21,000	23,010	2,010
Total Recreation	<u>319,700</u>	<u>319,700</u>	<u>315,344</u>	<u>(4,356)</u>
Ford Lake Parks:				
Gate Fees	45,000	45,000	41,045	(3,955)
Shelter Rent	6,000	6,000	6,782	782
Total Ford Lake Parks	<u>51,000</u>	<u>51,000</u>	<u>47,827</u>	<u>(3,173)</u>
Total Revenue from Current Services	<u>2,699,008</u>	<u>2,739,008</u>	<u>2,788,238</u>	<u>49,230</u>
Interest Income	<u>50,000</u>	<u>50,000</u>	<u>85,867</u>	<u>35,867</u>
Other Revenues:				
Rental Income	6,500	6,500	6,600	100
Sale of Assets	-	-	5,597	5,597
Franchise Fees	450,000	450,000	480,075	30,075
Right of Way	-	-	27,395	27,395
Miscellaneous	40,000	40,000	58,064	18,064
Total Other Revenues	<u>496,500</u>	<u>496,500</u>	<u>577,731</u>	<u>81,231</u>
Total Revenues	<u>\$ 9,367,827</u>	<u>\$ 9,222,347</u>	<u>\$ 9,427,414</u>	<u>\$ 205,067</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Detailed Expenditures - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Township Board:				
Trustee Salaries	\$ 56,495	\$ 56,495	\$ 55,904	\$ 591
Trustee Fringe Benefits	20,972	20,972	16,677	4,295
Office Supplies	1,000	1,000	679	321
Professional Services	48,000	48,000	48,500	(500)
Travel	2,500	2,500	-	2,500
Repairs and Maintenance	750	750	-	750
Miscellaneous	1,500	1,500	1,436	64
Membership and Dues	36,072	36,072	26,530	9,542
Total Township Board	<u>167,289</u>	<u>167,289</u>	<u>149,726</u>	<u>17,563</u>
Township Supervisor:				
Supervisor Salary	68,450	68,450	67,734	716
Permanent Wages	69,405	69,405	71,212	(1,807)
Temporary Wages	2,000	2,000	-	2,000
Overtime	-	-	1,476	(1,476)
Fringe Benefits	20,949	20,949	20,557	392
Office Supplies	1,200	1,200	1,063	137
Professional Services	500	500	172	328
Retirement/MERS	4,873	4,873	4,445	428
Repair & Maintenance	500	500	79	421
Lease	120	120	-	120
Miscellaneous	500	500	414	86
Membership and Dues	500	500	59	441
Total Township Supervisor	<u>168,997</u>	<u>168,997</u>	<u>167,211</u>	<u>1,786</u>
District Court:				
Salaries and Wages	794,584	794,584	773,106	21,478
Fringe Benefits	232,623	217,623	202,606	15,017
Library Subscription	2,400	2,400	2,744	(344)
Office Supplies	9,000	8,000	9,489	(1,489)
Postage	11,500	11,000	9,896	1,104
Operating Supplies	9,600	7,950	3,567	4,383
Contractual Services	16,250	30,250	34,726	(4,476)
Contractual Services-Computer	-	29,000	24,777	4,223
Telephone	8,800	8,800	6,143	2,657
Travel	1,500	1,500	1,123	377
Retirement/MERS	35,757	35,757	30,471	5,286
Printing and Publishing	7,500	7,500	6,474	1,026
Insurance	12,500	20,650	20,423	227
Utilities	30,000	30,000	26,061	3,939
Repairs and Maintenance	15,000	15,000	20,065	(5,065)
Equipment Maintenance & Rent	9,700	8,100	3,366	4,734
Miscellaneous	4,800	6,300	6,175	125
Membership and Dues	1,800	1,800	1,750	50
Education and Training	2,000	2,000	2,796	(796)
Total District Court	<u>1,205,314</u>	<u>1,238,214</u>	<u>1,185,758</u>	<u>52,456</u>
(continued)				

**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Detailed Expenditures - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Due Process:				
Attorney Fees - Criminal	\$ 45,000	\$ 45,000	\$ 39,400	\$ 5,600
Legal Services - Prosecution	125,000	125,000	83,221	41,779
Legal Services - Domestic Violence	150,000	150,000	109,948	40,052
Jury and Witness Fees	22,500	22,500	12,417	10,083
Total Due Process	<u>342,500</u>	<u>342,500</u>	<u>244,986</u>	<u>97,514</u>
Township Treasurer:				
Treasurer Salary	68,450	68,450	67,734	716
Deputy Treasurer Salary	47,860	47,860	49,177	(1,317)
Permanent Wages	99,695	99,695	99,299	396
Overtime	2,000	2,000	1,509	491
Fringe Benefits	55,329	55,329	48,687	6,642
Office Supplies	3,300	3,300	1,463	1,837
Dog License Supplies	650	650	142	508
Tax Preparation Supplies	10,000	10,000	5,890	4,110
Travel	750	750	-	750
Retirement/MERS	10,500	10,500	10,496	4
Repairs and Maintenance	1,800	1,800	765	1,035
Lease	120	120	-	120
Miscellaneous	500	500	38	462
Total Township Treasurer	<u>300,954</u>	<u>300,954</u>	<u>285,200</u>	<u>15,754</u>
Township Clerk:				
Clerk Salary	68,450	68,450	67,734	716
Deputy Clerk Salary	47,510	-	-	-
Permanent Wages	63,822	123,032	130,215	(7,183)
Temporary Wages	-	14,850	8,777	6,073
Overtime	500	5,500	4,750	750
Fringe Benefits	64,389	62,689	61,274	1,415
Office Supplies	5,500	5,500	4,546	954
Ordinance Code Books	8,000	4,000	5,185	(1,185)
Retirement/MERS	6,812	7,762	8,272	(510)
Repairs and Maintenance	500	500	215	285
Lease	250	250	-	250
Miscellaneous	1,000	1,000	1,051	(51)
Total Township Clerk	<u>266,733</u>	<u>293,533</u>	<u>292,019</u>	<u>1,514</u>
(continued)				

**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Detailed Expenditures - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Election Department:				
Appointed Officials	\$ 55,000	\$ 55,000	\$ 47,968	\$ 7,032
Permanent Wages	80,607	80,607	82,311	(1,704)
Temporary Salaries	12,000	12,000	25,245	(13,245)
Overtime	15,000	15,000	13,229	1,771
Fringe Benefits	26,103	26,103	21,498	4,605
Office Supplies	18,000	18,000	19,395	(1,395)
Postage	32,000	32,000	16,791	15,209
Professional Services	800	800	1,150	(350)
Retirement/MERS	6,712	6,712	6,459	253
Printing and Advertising/Publishing	6,000	6,000	1,296	4,704
Repairs and Maintenance	500	500	-	500
Equipment Rental	5,000	5,000	802	4,198
Lease	500	500	-	500
Miscellaneous	500	500	388	112
Total Election Department	<u>258,722</u>	<u>258,722</u>	<u>236,532</u>	<u>22,190</u>
Accounting Department:				
Director Salary	72,261	72,261	72,853	(592)
Permanent Wages	95,832	100,182	96,143	4,039
Overtime	900	900	123	777
Fringe Benefits	45,249	45,599	44,868	731
Office Supplies	7,400	7,400	4,960	2,440
Travel	100	100	-	100
Retirement/MERS	11,865	12,165	12,095	70
Miscellaneous	250	250	188	62
Membership & Dues	275	275	270	5
Total Accounting Department	<u>234,132</u>	<u>239,132</u>	<u>231,500</u>	<u>7,632</u>
Professional Services:				
Independent Audit	30,000	30,000	28,115	1,885
Other Professional Services	8,000	8,000	5,135	2,865
Total Professional Services	<u>38,000</u>	<u>38,000</u>	<u>33,250</u>	<u>4,750</u>
Assessor's Office:				
Assessor Salary	72,492	87,492	85,674	1,818
Permanent Wages	268,368	277,368	276,679	689
Overtime	2,500	2,500	668	1,832
Fringe Benefits	86,860	91,360	83,493	7,867
Office Supplies	15,500	15,500	10,025	5,475
Tax Appeals	36,000	136,000	145,004	(9,004)
Travel	1,000	1,000	-	1,000
Gas and Oil	400	400	392	8
Retirement/MERS	24,105	25,605	25,157	448
Publishing	100	100	-	100
Repairs and Maintenance	500	500	-	500
Auto Maintenance	1,200	1,200	908	292
Lease	5,407	5,407	4,781	626
Miscellaneous	1,000	1,000	57	943
Membership and Dues	1,600	1,600	1,841	(241)
Total Assessor's Office	<u>517,032</u>	<u>647,032</u>	<u>634,679</u>	<u>12,353</u>
(continued)				

**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Detailed Expenditures - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Legal Services:				
Attorney Retainer	\$ 91,680	\$ 91,680	\$ 88,980	\$ 2,700
Attorney Litigation	200,000	200,000	185,984	14,016
Clerical	20,400	20,400	19,800	600
Legal Services Other	5,000	5,000	5,552	(552)
Labor Consultant	50,000	50,000	2,207	47,793
Legal Fees - Metro Act	-	-	405	(405)
Total Legal Services	<u>367,080</u>	<u>367,080</u>	<u>302,928</u>	<u>64,152</u>
Personnel:				
Director Salary	69,300	69,300	70,945	(1,645)
Permanent Wages	96,100	96,100	98,009	(1,909)
Fringe Benefits	46,567	46,567	43,334	3,233
Office Supplies	2,180	2,180	698	1,482
Operating Supplies	875	875	794	81
Travel	5,850	5,850	2,810	3,040
Retirement/MERS	11,611	11,611	11,660	(49)
Membership and Dues	350	350	415	(65)
Education and Training	15,015	15,015	12,222	2,793
Total Personnel	<u>247,848</u>	<u>247,848</u>	<u>240,887</u>	<u>6,961</u>
Purchasing Department:				
Permanent Wages	48,046	48,046	48,949	(903)
Overtime	100	100	110	(10)
Fringe Benefits	5,502	5,502	5,243	259
Office Supplies	2,500	2,500	1,019	1,481
Retirement/MERS	3,380	3,380	3,292	88
Miscellaneous	500	500	-	500
Total Purchasing Department	<u>60,028</u>	<u>60,028</u>	<u>58,613</u>	<u>1,415</u>
Board of Review:				
Salaries	5,000	5,000	2,250	2,750
Fringe Benefits	138	138	62	76
Education and Training	300	300	75	225
Office Supplies	200	200	102	98
Total Board of Review	<u>5,638</u>	<u>5,638</u>	<u>2,489</u>	<u>3,149</u>
Residential Services Administration:				
Salary Supervision	66,273	66,273	57,616	8,657
Permanent Wages	9,788	9,788	7,488	2,300
Overtime	-	-	17	(17)
Fringe Benefits	23,136	23,136	16,270	6,866
Office Supplies	750	750	596	154
Gas and Oil	425	425	261	164
Retirement/MERS	5,340	5,340	4,512	828
Auto Maintenance	750	750	515	235
Lease	3,051	3,051	2,378	673
Miscellaneous	400	400	582	(182)
Total Residential Services Administration	<u>109,913</u>	<u>109,913</u>	<u>90,235</u>	<u>19,678</u>
(continued)				

**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Detailed Expenditures - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Building Operations:				
Salary Supervision	\$ 53,926	\$ 53,926	\$ 53,513	\$ 413
Permanent Wages	293,191	293,191	235,843	57,348
Temporary Wages	-	-	39,171	(39,171)
Overtime	3,500	3,500	7,786	(4,286)
Fringe Benefits	129,587	129,587	116,220	13,367
Office Supplies	500	500	408	92
Operating Supplies	6,000	6,000	783	5,217
Uniforms	13,880	13,880	9,901	3,979
Building Maintenance Supplies	33,575	33,575	27,319	6,256
Contractual Services	56,400	56,400	49,509	6,891
Gas and Oil	5,218	5,218	4,120	1,098
Retirement/MERS	24,615	24,615	20,775	3,840
Utilities	203,500	203,500	169,904	33,596
Building Repairs	30,000	63,000	53,240	9,760
Equipment Maintenance Contracts	500	500	397	103
Auto Maintenance	6,000	6,000	2,852	3,148
Lease	16,711	16,711	17,169	(458)
Miscellaneous	1,200	1,200	1,129	71
Total Building Operations	<u>878,303</u>	<u>911,303</u>	<u>810,039</u>	<u>101,264</u>
Computer Services:				
Permanent Wages	99,486	61,936	59,944	1,992
Temporary Wages	-	20,752	19,439	1,313
Fringe Benefits	20,837	11,182	10,902	280
Office Supplies	8,300	4,300	4,143	157
Contractual Services	13,000	21,534	15,883	5,651
Retirement/MERS	6,985	4,241	4,245	(4)
Equipment Maintenance	3,000	6,000	5,471	529
Maintenance Agreements	19,935	19,935	20,812	(877)
Equipment Rental	9,852	9,852	8,365	1,487
Total Computer Services	<u>181,395</u>	<u>159,732</u>	<u>149,204</u>	<u>10,528</u>
General Service Administration:				
Office Supplies	10,000	10,000	7,796	2,204
Postage	40,000	40,000	42,763	(2,763)
Contractual Services	10,000	10,000	-	10,000
Telephone	80,000	80,000	56,677	23,323
Printing and Publishing	35,000	35,000	36,392	(1,392)
Equipment Maintenance	8,000	8,000	4,410	3,590
Equipment Rental	10,000	10,000	7,524	2,476
Miscellaneous	4,000	4,000	3,200	800
Total General Service Administration	<u>197,000</u>	<u>197,000</u>	<u>158,762</u>	<u>38,238</u>
Total General Government (continued)	<u>5,546,878</u>	<u>5,752,915</u>	<u>5,274,018</u>	<u>478,897</u>



**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Detailed Expenditures - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Community Development:				
Salary Supervision	\$ 111,755	\$ 103,255	\$ 103,811	\$ (556)
Permanent Wages	-	26,000	29,096	(3,096)
Temporary Wages	20,000	14,000	7,081	6,919
Overtime	-	-	187	(187)
Fringe Benefits	32,352	33,652	27,013	6,639
Office Supplies	1,000	1,000	100	900
Subscriptions and Publications	500	500	22	478
Professional Services	6,000	-	-	-
Planner Fees	6,000	13,200	10,862	2,338
Telecom Review Fees	2,500	500	-	500
Engineer Fees	18,000	45,000	56,720	(11,720)
Retirement/MERS	7,846	8,846	8,943	(97)
Miscellaneous	-	-	760	(760)
Membership and Dues	1,735	1,735	1,209	526
Total Community Development	<u>207,688</u>	<u>247,688</u>	<u>245,804</u>	<u>1,884</u>
Highways and Streets:				
County Contract	75,000	75,000	29,483	45,517
Tuttle Hills Lift Station	20,000	20,000	6,908	13,092
Drain Costs	160,000	85,000	75,448	9,552
Construction Costs	<u>145,259</u>	<u>1,645,259</u>	<u>1,657,676</u>	<u>(12,417)</u>
Total Highways and Streets	<u>400,259</u>	<u>1,825,259</u>	<u>1,769,515</u>	<u>55,744</u>
Parks Department:				
Supervision Wages	50,112	51,512	51,740	(228)
Permanent Wages	168,150	174,650	171,301	3,349
Temporary Wages	133,250	133,250	129,429	3,821
Overtime	14,500	14,500	13,580	920
Fringe Benefits	90,579	92,879	85,377	7,502
Office Supplies	545	545	522	23
Uniforms	6,000	6,000	3,952	2,048
Operating Supplies	32,069	4,069	3,238	831
Maintenance Supplies	1,000	34,000	35,417	(1,417)
Tree Maintenance	-	52,000	52,340	(340)
Contractual Services	36,150	36,150	36,252	(102)
Telephone	4,150	4,150	2,471	1,679
Gas and Oil	13,287	22,487	20,616	1,871
Retirement/MERS	16,340	17,640	16,777	863
Utilities	16,700	18,700	16,972	1,728
Auto Maintenance	24,500	24,500	22,441	2,059
Small Equipment Parts	19,000	19,000	16,077	2,923
Small Equipment Maintenance	22,000	22,000	30,125	(8,125)
Parks Motorpool Maintenance	24,000	24,000	24,000	-
Lease	61,500	52,000	50,840	1,160
Miscellaneous	100	100	25	75
Membership and Dues	475	475	275	200
Total Parks Department	<u>734,407</u>	<u>804,607</u>	<u>783,767</u>	<u>20,840</u>
(continued)				

**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Detailed Expenditures - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Recreation Department:				
Supervisor Salary	\$ 64,151	\$ 67,851	\$ 65,002	\$ 2,849
Permanent Wages	287,552	275,552	268,827	6,725
Temporary Wages	161,676	171,276	169,522	1,754
Overtime	1,000	1,400	1,281	119
Fringe Benefits	118,085	108,685	107,090	1,595
Office Supplies	2,500	4,500	3,702	798
Operating Supplies	54,727	59,127	47,486	11,641
Contractual Services	11,000	20,000	19,732	268
Telephone	6,900	6,400	5,802	598
Travel	2,000	2,700	2,605	95
Gas and Oil	1,511	1,911	1,336	575
Retirement/MERS	22,155	22,155	21,523	632
Community Promotion	38,775	36,275	31,249	5,026
Insurance	200	200	200	-
Repair and Maintenance	2,800	2,300	1,743	557
Auto Maintenance	5,200	4,200	3,533	667
Rentals	6,500	5,700	5,610	90
Lease	14,500	10,800	9,405	1,395
Miscellaneous	-	-	1	(1)
Membership and Dues	550	750	738	12
Total Recreation Department	<u>801,782</u>	<u>801,782</u>	<u>766,387</u>	<u>35,395</u>
Total Parks and Recreation	<u>1,536,189</u>	<u>1,606,389</u>	<u>1,550,154</u>	<u>56,235</u>
Planning Commission:				
Appointed Officials Salaries	10,800	10,800	3,700	7,100
Overtime	500	500	416	84
Fringe Benefits	372	372	161	211
Office Supplies	500	500	27	473
Consultant Fees	18,000	18,000	19,923	(1,923)
Membership and Dues	600	600	646	(46)
Education and Training	2,000	2,000	189	1,811
Total Planning Commission	<u>32,772</u>	<u>32,772</u>	<u>25,062</u>	<u>7,710</u>
Board of Appeals:				
Appointed Officials Salaries	4,200	4,200	3,150	1,050
Fringe Benefits	116	116	85	31
Supplies	150	150	281	(131)
Membership and Dues	350	350	350	-
Education and Training	500	500	351	149
Total Board of Appeals	<u>5,316</u>	<u>5,316</u>	<u>4,217</u>	<u>1,099</u>
Total Planning (continued)	<u>38,088</u>	<u>38,088</u>	<u>29,279</u>	<u>8,809</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Detailed Expenditures - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other Functions:				
Insurance and Bonds	\$ 225,100	\$ 225,100	\$ 194,516	\$ 30,584
Unemployment Compensation	13,000	13,000	19,035	(6,035)
Employee Physicals	5,000	5,000	3,607	1,393
Contribution to Other Entities & Programs:				
Employee Assistance Program	4,500	4,500	4,375	125
Other Projects - Board	10,000	34,000	33,681	319
A.A.T.A. Contract	195,000	195,000	189,225	5,775
Monitoring Services-UST	30,000	30,000	25,663	4,337
Meals on Wheels	10,500	10,500	10,000	500
Employees and Officials Retirement	55,000	55,000	56,652	(1,652)
Retirees Insurance	188,000	178,000	160,291	17,709
Fourth of July	1,000	1,000	96	904
Festivals	1,500	1,500	1,000	500
Rutherford Pool- City of Ypsilanti	-	6,000	6,000	-
Washtenaw Development Council	10,000	10,000	10,000	-
Street Lighting	75,000	61,000	68,402	(7,402)
Miscellaneous	500	500	462	38
Tax Refunds	5,000	5,000	10,595	(5,595)
Bank Charges	15,000	15,000	9,570	5,430
GASB 34 Initial Costs	-	10,500	3,980	6,520
Water Hardship	6,000	6,000	5,559	441
Huron Utilities Authority	400	400	-	400
Total Other Functions	<u>850,500</u>	<u>867,000</u>	<u>812,709</u>	<u>54,291</u>
Capital Outlay:				
District Court:				
Equipment	8,000	8,000	5,179	2,821
Computer Software	500	500	-	500
Computer Programs	5,500	-	-	-
Computer Network Support	27,400	-	-	-
Township Supervisor - Equipment	2,000	2,000	-	2,000
Township Treasurer- Equipment	500	500	-	500
Accounting Department-Equipment	225	225	-	225
Purchasing Department-Equipment	500	500	-	500
Computer Services:				
Equipment	94,100	110,763	101,654	9,109
Computer Programs and Supplies	39,500	44,500	46,948	(2,448)
General Services	-	50,000	28,552	21,448
Parks Department-Equipment	8,000	8,000	3,447	4,553
Total Capital Outlay	<u>186,225</u>	<u>224,988</u>	<u>185,780</u>	<u>39,208</u>
Debt Service:				
Principal	431,255	431,255	430,000	1,255
Interest and Other Charges	170,745	170,745	170,995	(250)
Total Debt Service	<u>602,000</u>	<u>602,000</u>	<u>600,995</u>	<u>1,005</u>
Total Expenditures	\$ <u>9,367,827</u>	\$ <u>11,164,327</u>	\$ <u>10,468,254</u>	\$ <u>696,073</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**General Fund**  
**Statement of Detailed Other Financing Uses - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other Financing Uses:				
Transfer to Hydro Station	\$ -	\$ (60,000)	\$ -	\$ 60,000
Transfer to Public Improvement Fund	-	(90,000)	(90,000)	-
Total Other Financing Uses	<u>\$ -</u>	<u>\$ (150,000)</u>	<u>\$ (90,000)</u>	<u>\$ 60,000</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**Fire Department Special Revenue Fund**  
**Statement of Detailed Revenues and Expenditures- Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Current Property Taxes	\$ 4,319,531	\$ 4,319,531	\$ 4,345,804	\$ 26,273
Federal Grants	-	-	2,301	2,301
Interest Income	10,000	10,000	49,519	39,519
Contributions & Donations	-	-	10,000	10,000
Miscellaneous	-	-	2,164	2,164
Total Revenues	<u>\$ 4,329,531</u>	<u>\$ 4,329,531</u>	<u>\$ 4,409,788</u>	<u>\$ 80,257</u>
Expenditures:				
Personal Services:				-
Salary - Supervision	\$ 78,007	\$ 78,007	\$ 79,592	\$ (1,585)
Salary - Officers	435,354	435,354	304,030	131,324
Salary - Fire Fighters	1,361,814	1,361,814	1,479,590	(117,776)
Clerical Wages	39,743	39,743	29,016	10,727
Payout- Sick Time	76,994	76,994	70,873	6,121
Payout - Retirees	79,645	79,645	74,501	5,144
Overtime Pay	115,360	115,360	95,848	19,512
Holiday Overtime	23,143	23,143	20,389	2,754
Contractual Overtime	143,731	143,731	140,585	3,146
Holiday Pay	117,932	117,932	132,933	(15,001)
Benefits:				
FICA/Medicare	189,104	189,104	184,371	4,733
Retirement/Merit Awards	1,000	1,000	-	1,000
Health and Dental Insurance	374,860	374,860	336,444	38,416
Sick and Accident Insurance	282	282	281	1
Physicals and X-Rays	19,800	19,800	5,494	14,306
Life Insurance	6,326	6,326	8,860	(2,534)
Postage	770	770	256	514
Laundry and Cleaning Uniforms	14,000	14,000	12,445	1,555
Uniforms - New and Badges	6,000	6,000	3,102	2,898
Fire Prevention Materials	9,000	9,000	6,991	2,009
Clothing Allowance	7,200	7,200	7,336	(136)
Food Allowance	36,850	36,850	44,297	(7,447)
Operating Supplies	25,000	25,000	18,654	6,346
Medical Supplies	7,000	7,000	5,968	1,032
Fire Investigation	1,700	1,700	842	858
Operating Supplies/Tools	1,000	1,000	546	454
Administrative Fees	83,953	83,953	83,964	(11)
Professional Services	18,000	18,000	3,184	14,816
Retirement Board and Trust Fees	5,000	5,000	1,025	3,975
Communications	8,400	8,400	7,115	1,285
Auto and Truck Maintenance	59,000	59,000	58,807	193
Gas and Oil	14,000	14,000	14,795	(795)
(continued)				

**CHARTER TOWNSHIP OF YPSILANTI**  
**Fire Department Special Revenue Fund**  
**Statement of Detailed Revenues and Expenditures- Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (Continued)				
Retirement / MERS	\$ 2,790	\$ 2,790	\$ 2,162	\$ 628
Publishing	1,000	1,000	347	653
Insurance and Workers Compensation Insurance	145,000	145,000	135,094	9,906
Utilities:				
Heat	20,400	20,400	17,505	2,895
Light	21,115	21,115	19,331	1,784
Telephone	15,500	15,500	11,999	3,501
Water and Sewer	3,000	3,000	2,989	11
Building Maintenance	20,000	20,000	22,731	(2,731)
Equipment Maintenance	19,990	19,990	18,703	1,287
Fire Hydrant Charge	1,800	1,800	4,308	(2,508)
Miscellaneous	-	-	1,201	(1,201)
Reserve Contingencies	174,737	174,737	-	174,737
Tax Refund Expense	3,000	3,000	4,123	(1,123)
Membership and Dues	7,000	7,000	5,179	1,821
Education and Training	20,850	20,850	8,895	11,955
Total Fire Department	<u>3,816,150</u>	<u>3,816,150</u>	<u>3,486,701</u>	<u>329,449</u>
Civil Service:				
Commission Members	600	600	640	(40)
Temporary Wages	500	500	535	(35)
Fringe Benefits	31	31	25	6
Office Supplies	250	250	111	139
Examination Supplies	500	500	-	500
Professional Services	30,000	30,000	24,911	5,089
Publishing	200	200	-	200
Total Civil Service	<u>32,081</u>	<u>32,081</u>	<u>26,222</u>	<u>5,859</u>
Capital Outlay:				
Property Improvements	200,000	733,400	800,982	(67,582)
Equipment - Fire Apparatus	75,000	75,000	73,721	1,279
Equipment - Protective	10,000	10,000	12,690	(2,690)
Equipment - Fire/Rescue	34,500	34,500	20,514	13,986
Equipment - Computer	22,500	22,500	22,966	(466)
Total Capital Outlay	<u>342,000</u>	<u>875,400</u>	<u>930,873</u>	<u>(55,473)</u>
Debt Service:				
Principal	119,300	119,300	117,508	1,792
Interest	20,000	20,000	18,052	1,948
Total Debt Service	<u>139,300</u>	<u>139,300</u>	<u>135,560</u>	<u>3,740</u>
Total Expenditures	\$ <u>4,329,531</u>	\$ <u>4,862,931</u>	\$ <u>4,579,356</u>	\$ <u>283,575</u>

**CHARTER TOWNSHIP OF YPSILANTI**  
**Environmental Services Special Revenue Fund**  
**Statement of Detailed Revenues and Expenditures- Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Current Property Taxes	\$ 2,159,765	\$ 2,159,765	\$ 2,172,339	\$ 12,574
Bag and Tag Fees	1,000	1,000	1,313	313
Recycling	3,000	3,000	36,170	33,170
Reimbursement-Tire Removal	-	-	51,750	51,750
Interest Earned	14,000	14,000	42,710	28,710
Miscellaneous	-	-	2,656	2,656
Total Revenues	<u>\$ 2,177,765</u>	<u>\$ 2,177,765</u>	<u>\$ 2,306,938</u>	<u>\$ 129,173</u>
Expenditures:				
Permanent Wages	\$ 210,270	\$ 214,270	\$ 208,721	\$ 5,549
Temporary Wages	39,360	29,860	29,862	(2)
Overtime	6,000	6,000	1,416	4,584
Fringe Benefits	89,010	76,110	73,771	2,339
Yard Waste Bags	7,500	5,500	5,355	145
Office Supplies	2,000	2,000	2,135	(135)
Postage	300	3,300	2,725	575
Library Subscription	550	550	548	2
Uniforms - Laundry & Cleaning	780	780	720	60
Operating Supplies	2,600	2,600	2,326	274
Administration Fees	50,395	50,495	50,472	23
Professional Services	-	5,000	-	5,000
Rubbish Disposal	21,200	22,700	20,023	2,677
Rubbish Pickup	1,065,920	1,050,920	1,047,009	3,911
Compost Pickup	160,700	162,700	157,018	5,682
Compost Processing	147,563	180,563	179,790	773
Recycling Disposal	35,000	35,000	33,137	1,863
Recycling Pickup	303,970	299,770	295,994	3,776
Telephone	500	500	368	132
Gas & Oil	7,000	15,000	14,702	298
Retirement/MERS	15,185	15,185	13,850	1,335
Printing and Publishing	2,300	3,300	3,152	148
Insurance	16,000	16,000	12,805	3,195
Utilities	-	10,500	4,409	6,091
Equipment Maintenance	3,000	11,000	7,515	3,485
Auto Maintenance	12,500	8,500	5,170	3,330
(Continued)				

**CHARTER TOWNSHIP OF YPSILANTI**  
**Environmental Services Special Revenue Fund**  
**Statement of Detailed Revenues and Expenditures- Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (Continued)				
Misc Repair-Motorpool & Lease	\$ 12,000	\$ 13,000	\$ 12,000	\$ 1,000
Tax Refund Expense	10,000	5,000	2,061	2,939
Membership and Dues	170	170	170	-
Education and Training	600	2,100	565	1,535
Miscellaneous	1,000	1,000	934	66
Total Sanitation Expenditures	<u>2,223,373</u>	<u>2,249,373</u>	<u>2,188,723</u>	<u>60,650</u>
Transfer to Compost Fund	<u>-</u>	<u>143,838</u>	<u>-</u>	<u>143,838</u>
Capital Outlay				
Property Improvement	<u>60,000</u>	<u>61,000</u>	<u>60,525</u>	<u>475</u>
Total Capital Outlay	<u>60,000</u>	<u>61,000</u>	<u>60,525</u>	<u>475</u>
Total Expenditures	<u>\$ 2,283,373</u>	<u>\$ 2,454,211</u>	<u>\$ 2,249,248</u>	<u>\$ 204,963</u>



**CHARTER TOWNSHIP OF YPSILANTI**  
**Law Enforcement Special Revenue Fund**  
**Statement of Detailed Revenues and Expenditures- Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Current Property Taxes	\$ 4,319,531	\$ 4,319,531	\$ 4,345,804	\$ 26,273
Intergovernmental - State	15,000	15,000	16,848	1,848
Interest Earned	-	-	12,894	12,894
Miscellaneous	-	-	1,941	1,941
Total Revenues	<u>\$ 4,334,531</u>	<u>\$ 4,334,531</u>	<u>\$ 4,377,487</u>	<u>\$ 42,956</u>
Expenditures:				
Sheriff Services:				
Salaries	\$ 78,600	\$ 78,600	\$ 75,624	\$ 2,976
Fringe Benefits	7,743	7,743	7,640	103
Supplies	1,500	1,500	2,473	(973)
Postage	-	-	682	(682)
Administration Fees	101,956	101,956	102,000	(44)
Community Work Program	60,490	60,490	61,602	(1,112)
Police Patrol	3,689,576	3,689,576	3,618,446	71,130
Police Overtime Special Services	-	75,000	70,805	4,195
Community Service Officers	50,143	50,143	46,285	3,858
Deputy Stipend	5,000	3,725	3,250	475
Retirement / MARS	5,518	5,518	5,307	211
Insurance	13,000	13,000	12,972	28
Workers Compensation	5,500	5,500	3,898	1,602
Utilities	12,000	12,000	11,819	181
Repairs & Maintenance	5,000	5,000	3,265	1,735
Tax Refund Expense	3,000	3,000	4,123	(1,123)
Reserve Contingencies	36,043	-	-	-
Miscellaneous	-	-	1,817	(1,817)
Total Sheriff Services	<u>4,075,069</u>	<u>4,112,751</u>	<u>4,032,008</u>	<u>80,743</u>
Constables:				
Liquor Inspections	7,200	7,200	6,787	413
Fringe Benefits	551	551	520	31
Operating Supplies	100	100	-	100
Mileage	1,000	1,000	420	580
Education & Training	1,000	1,000	879	121
Total Constables	<u>9,851</u>	<u>9,851</u>	<u>8,606</u>	<u>1,245</u>

(Continued)

**CHARTER TOWNSHIP OF YPSILANTI**  
**Law Enforcement Special Revenue Fund**  
**Statement of Detailed Revenues and Expenditures - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Community Support:				
Permanent Wages	\$ 44,975	\$ 44,975	\$ 46,329	\$ (1,354)
Fringe Benefits	4,315	4,315	4,417	(102)
Office Supplies	5,000	5,000	330	4,670
Postage	2,000	2,000	426	1,574
Operating Supplies	2,000	2,000	5,156	(3,156)
Retirement/MERS	3,158	3,158	3,068	90
Education & Training	1,500	1,500	746	754
Total Community Support	<u>62,948</u>	<u>62,948</u>	<u>60,472</u>	<u>2,476</u>
Ordinance:				
Permanent Wages	133,824	138,824	137,895	929
Temporary Wages	-	1,700	1,679	21
Fringe Benefits	28,544	28,844	26,343	2,501
Office Supplies	1,000	1,000	708	292
Operating Supplies	4,000	2,230	1,921	309
Uniforms - Cleaning	-	1,770	1,763	7
Gas and Oil	1,500	1,500	1,258	242
Retirement/MERS	9,395	9,395	8,882	513
Auto Maintenance	1,000	1,000	742	258
Lease	5,900	5,900	4,219	1,681
Total Ordinance	<u>185,163</u>	<u>192,163</u>	<u>185,410</u>	<u>6,753</u>
Total Operational Expenditures	<u>4,333,031</u>	<u>4,377,713</u>	<u>4,286,496</u>	<u>91,217</u>
Capital Outlay:				
Sheriff Services-Equipment	1,000	2,275	1,272	1,003
Community Support-Equipment	500	500	-	500
Total Capital Outlay	<u>1,500</u>	<u>2,775</u>	<u>1,272</u>	<u>1,503</u>
Total Expenditures	<u>\$ 4,334,531</u>	<u>\$ 4,380,488</u>	<u>\$ 4,287,768</u>	<u>\$ 92,719</u>

# POST, SMYTHE, LUTZ AND ZIEL LLP

*Certified Public Accountants*

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Therese Mulholland, C.P.A.

March 23, 2005

Board of Trustees  
Charter Township of Ypsilanti  
Ypsilanti, Michigan

In planning and performing our audit of Charter Township of Ypsilanti for the year ended December 31, 2004, we have considered the Township's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our comments and suggestions in these areas. This letter does not affect our report dated March 23, 2005, on the financial statements of Charter Township of Ypsilanti.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional studies or assist in their implementation.

Respectfully,

  
POST, SMYTHE, LUTZ and ZIEL LLP  
Certified Public Accountants

### Building Department Pass Through Fees and Deposits

During the past fiscal year, improvements that we suggested previously were attained:

- Subsidiary records agree and were reconciled on a monthly basis.
- Billings from the providers of the inspection services, and other pass through fees were reconciled to postings to the subsidiary records, and the data entry process was improved.

We also suggest that a more formal process for past due amounts from developers be considered. The "aging" of amounts due at the end of the fiscal year show significant sums past due. In addition, we suggest that the Township review other means of securing payment, such as larger up front deposits, securing payment with a credit card, or other methods to streamline the cost of collections, and improve cash flow.

We also suggest that the accounting for "bonds" held to insure performance, be segregated from other "agency" type funds. A separate fund to account for these deposits could simplify the reconciliation process. Currently these amounts are reflected in the "general tax collection fund" along, with delinquent personals and other agency amounts, or shown as liabilities in the general fund.

### Checking Accounts

Currently several cash disbursements are accomplished through manual checks outside of the normal bill paying cycle. These disbursements include: delinquent personal property taxes, refunds of bonds or other agency amounts, and current taxes. We suggest that the delinquent payments, along with the disbursements of bonds, be accomplished through the automated accounts payable process. Additionally, consideration should be made to automating the current tax collection cash disbursements process, as the software system is capable of handing multiple cash disbursement accounts.